



JUNE 10, 2020 FINANCE COMMITTEE MEETING

AGENDA

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. APPROVAL OF AGENDA** **Approve**
- 4. APPROVAL OF MAY 13, 2020 MEETING MINUTES**
 - A. May 13, 2020 finance Committee Meeting Minutes **Approve** **Page 2**
- 5. EXTERNAL AUDITOR QIP PROCEDURES**
 - A. External Auditor QIP Procedures **Accept** **Page 5**
- 6. FINANCIAL REPORTS: APRIL 2020** **Accept**
 - A. Agency Financial Statements **Page 13**
 - B. Head Start Financial Status Report **Page 16**
- 7. INSURANCE RENEWAL**
 - A. Insurance Renewal **Approve** **Page 22**
- 8. ACCOUNTING POLICY & PROCEDURES UPDATES**
 - A. Accounting Policies and Procedures Update **Approve** **Page 47**
- 9. HEAD START 0-5 CARRYOVER APPLICATION**
 - A. Head Start 0-5 Carryover Application **Approve** **Page 116**
- 10. HHS HEAD START 0-5 MONITORING STATUS UPDATE**
 - A. HHS Head Start 0-5 Monitoring Update **Information** **Page 130**
- 11. NON-COMPETITIVE PROCUREMENT**
 - A. Non-Competitive Procurement **Information** **Page 149**
- 12. HEALTH INSURANCE REPORT**
 - A. Health Insurance Report **Information** **Page 151**
- 13. VARIANCE REPORTS**
 - A. Variance Report **Page 153**
- 14. OTHER BUSINESS**

NEXT MEETING: WEDNESDAY, AUGUST 12, 2020 AT 12:00 PM.
- 15. ADJOURNMENT**



FINANCE COMMITTEE MEETING
Fresno EOC
Wednesday, Mary 13, 2020
12:00 p.m.

MINUTES

1. CALL TO ORDER

Charles Garabedian, Chair, called the meeting to order at 12:11 PM.

2. ROLL CALL

Roll was called and a quorum was established.

COMMITTEE MEMBERS	PRESENT	STAFF & GUESTS	
Charles Garabedian (chair)	✓	Emilia Reyes	Heather Brown
Oliver Baines	✓	Salam Nalia	Mark Wilson
Amparo Cid	✓	Michelle Tutunjian	Kathleen Shivaprasad
Michael Reyna	✓	Rebecca Heinricy	Jack Lazzarini
Itzi Robles		Steven Warnes	Rosa Pineda
		Darlene Trujillo	Troy Sosa
		Arthur Montejano	Karina Perez
			Elionora Vivanco

3. APPROVAL OF AGENDA

M/S/C –Reyna/Cid to approve the agenda. All in favor.

4. APPROVAL OF MINUTES

A. March 11, 2020 Meeting Minutes

M/S/C –Cid/Reyna to approve the March 11, 2020 meeting minutes. All in favor.

5. FINANCIAL REPORTS: MARCH 2020

A. Agency Financial Statements

Steve Warnes, Assistant Finance Director, presented the Statement of Activities for the three-month period ending March 31, 2020. Grant Revenue of \$17,712,370, which is at 22% of the annual budget. Total Cash Revenue of \$23,064,892; the expenditures personnel costs of \$16,224,653, which is 25% of the budget and a Total Cash Expenditures of \$23,062,996.

Warnes presented the Statement of Financial Position as of March 31, 2020, which reported assets of \$49,165,960 and liabilities of \$22,985,960. Notes receivable of \$15,301,417 and Notes Payable of \$12,436,523 are related to Access Plus Capital operations.

B. Head Start Financial Status Report

Darlene Trujillo, Accounting Manager, presented the March 31, 2020 Head Start and Early

Head Start Financial Status Reports:

HS/EHS	Annual Budget	Expenses	% of Budget
Head Start Basic	\$34,916,151	\$8,989,194	26%
Head Start T&TA	\$390,276	\$18,735	5%
Early Head Start Basic	\$4,651,280	\$1,079,239	23%
Early Head Start T&TA	\$106,922	\$1,077	1%

Expenses paid for via credit card were presented which include staff/parent training, supplies, licensing fees, nutrition education, and contract services.

Discussion around the anticipated one-time COVID-19 funding and the impact of COVID-19 on Head Start operations took place

***M/S/C** – Reyna/Cid to approve the financial reports presented. All in favor.*

6. HEAD START MODULAR BUILDING PURCHASE

A. Head Start Modular Building Purchase

Rebecca Heinrich, Financial Officer, presented the Design Space Modular Buildings procurement for two modular classroom buildings to be installed at Clinton and Blythe for Head Start (HS) in the amount of \$452,847 and Early Head Start (EHS) in the amount of \$437,039. Approval of the 1303 application from HHS, see next items, will be obtained prior to purchase.

***M/S/C** –Cid/Reyna to approve the Head Start Modular Building Purchase. All in favor.*

7. HEAD START MODULAR BUILDING 1303 APPLICATION

A. Head Start 0 to 5 Modular Building 1303 Applications

Heinrich shared the submission of the two 1303 Facility Applications to the Health and Human Services for the procurement of the two modular classrooms buildings for HS/EHS, located at Clinton & Blythe.

***M/S/C** –Reyna/Cid to approve the Head Start Modular Building 1303 Application. All in favor.*

8. MONITORING REPORT – FRWIB

A. Monitoring Report

Heinrich shared the 2019-2020 Employment & Training Initial Financial Monitoring report from the Fresno Regional Workforce Development Board (FRWIB). There were no findings or concerns noted in the report.

***M/S/C** –Cid/Baines to accept the Monitoring Report – FRWIB. All in favor.*

9. INFORMATIONAL ITEMS

A. HHS Head Start 0-5 Monitoring Status Update

Heinrich provided an overview of the HHS Quality Improvement Plan.

B. Funding List

Heinrich provided an overview of the agency funding list of \$167 million contracts funded, as of April 1, 2020.

C. Non-Competitive Procurement

Heinrich provided an overview of the non-competitive procurement through Tangram to purchase new furniture for the new WIC – Kings Canyon location, in the amount of \$183,125. Upon inquiry, Lazzarini shared the relocation was necessary as the current space is inadequate

as this site serves approximately one-third of all our WIC participants. The lease for the current space is ending.

D. Health Insurance Report

Warnes presented the Health Insurance Fund Report as of March 31, 2020, which is at a reserve of \$3.5 million. The timing of revenue and expenses has inflated the noted increase in the reserve balance as of March. A decrease in the reserve balance occurred during the month of April as it contained five weeks of check processing. With the new ADP system, both employee and employer contributions for 10-month employees are adjusted to be recorded in the months worked so there will be a drop in revenue during the summer months. The potential impact of COVID-19 on the health plan could have a significant impact and this exposure is being monitored.

E. Investment Report

Warnes presented the investment report as of March 31, 2020 with the total of \$3,981,179 between Wells Fargo and Citibank accounts.

F. Variance Reports

Heinricy provided an overview of the variance reports for California State Preschool Program (CSPP), School Age Child Care Program (CCTR), and Women, Infant, and Children (WIC) programs.

G. City of Fresno Save Our Small Business Loan to Grant Program Update

Heinricy provided an overview of the City of Fresno grant for Access Plus Capital to administer in the amount of \$750,000 to loan to 116 small business clients.

10. OTHER BUSINESS

Next meeting: Wednesday, June 10, 2020 at 12:00 PM.

11. ADJOURNMENT

M/S/C – Reyna/Baines to adjourned the meeting at 1:08PM.

Respectfully submitted,

Charles Garabedian, Chair

FINANCE COMMITTEE MEETING

Date: June 10, 2020	Program: Finance
Agenda Item #: 5	Officer: Rebecca Heinricy
Subject: External Auditor QIP Procedures	Officer: Salam Nalia

Recommended Action

Staff recommends for the full Board consideration the Committee's acceptance of the following report from Hudson, Henderson & Company, Inc. for the agreed upon procedures associated with the Head Start 0-5 Quality Improvement Plan.

Background

The U.S. Department of Health and Human Services (HHS) – Administration for Children and Families (ACF) Head Start (HS) conducted monitoring in October 2019 resulting in findings in three areas: internal control, budget, and facility reporting. In response, Fresno EOC submitted a quality improvement plan (QIP) to address the findings. As part of the QIP – which was accepted and agreed to by HS – an external auditor was contracted to provide an independent assessment of the monitoring review's findings as well as to identify opportunities for improvement.

Following an RFP process, the external auditor, Hudson, Henderson & Company, was selected to performed procedures pertaining to the findings and to make recommendations related to the reasonableness of cost allocation procedures; appropriateness of policies, procedures, and internal controls, and validity of Federal Interest reporting on the SF-429 form. The full report is included for the committee's review and representative(s) from Hudson, Henderson & Company and will provide a presentation of the work performed, their findings, and recommendations.

Additionally, the external auditor(s) will provide training to applicable staff on the findings and recommendations contained within their report.

Fiscal Impact

Based on the external auditor's findings, Fresno EOC's previously reported 24% (as of 2018) and 21% (as of 2019) share of federal interest for the Head Start program now computes as an 11% Federal interest. This updated computation reflects a reduction in

ownership by the US Department of Health and Human Services in our Fresno Executive Plaza facility.

Throughout the monitoring process, several areas for potential disallowed costs have been identified and quantified. These items are noted below.

- \$25,971 - Valuation of Federal Interest generated in Building A without obtaining prior written approval from 2003 to 2010.
- \$189,336 - Allocable share of depreciation charged to HHS Head Start for site-specific improvements through depreciation costs included within the cost pool from 2002 to 2018.
- \$149,055 - Reduction in the allocation of the entire board room square footage allocation by 789 square feet from 2002 – 2018 based on 2019 utilization analysis from 2002 to 2018.
- \$169,069 - Impact of depreciation reduction by the computed Federal Interest percentage in facility based on the square footage occupancy within Buildings A & B from 1999 to 2019.

The analysis on the potential for any additional Federal Interest to have been generated by other federally funded programs within this space continues.

Conclusion

Acceptance and implementation of the external auditors' report regarding the areas of deficiency identified within the HHS Head Start monitoring report is a critical step in closing out the monitoring cycle.

FRESNO ECONOMIC OPPORTUNITIES COMMISSION

**INDEPENDENT ACCOUNTANTS' REPORT
ON
AGREED UPON PROCEDURES
FACILITY COST ALLOCATION
AND
FEDERAL INTEREST REPORTING**

INDEPENDENT ACCOUNTANTS' REPORT

To the CEO and Board of Commissioners
Fresno Economic Opportunities Commission

We have performed the procedures enumerated below, which were agreed to by the Fresno Economic Opportunities Commission, (the Fresno EOC), solely to assist you with the facility cost allocation and federal interest reporting policies and procedures pertaining to the Fresno EOC. The Fresno EOC's management is responsible for the cost allocation and federal interest reporting policies and procedures. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Perform procedures to report findings and recommendations related to the accuracy of cost allocations and provide an analysis of the policies, procedures, and internal controls as well as to the reporting of Federal Interest on the SF-429 Form:
 - A) Obtain a copy of the most recently filed SF-429 Federal Interest Form. Review the form for accuracy, proper cost allocations, identification of potential enhancements, and identification of deficiencies.
 - B) Verify that the form, including the cost allocations and form reporting, are in compliance with all applicable reporting guidelines and requirements.
 - C) Verify that the form, including the cost allocations and form reporting, are in compliance and follow the Fresno EOC's accounting policies and procedures, internal controls and internal cost pool procedures for the Fresno Executive Plaza (FEP).
 - D) Perform random sampling and testing, including vouching to supporting documents, recalculation of depreciation, and other tests as deemed necessary to test the underlying data used in the calculation and completion of the SF-429 Form.

Findings: In review of the Fresno EOC's procedures of the computation of the federal interest at the FEP, it was noted that initial submissions and filings of the SF-429 Form, total costs for the calculation were based on total depreciation over the FEP properties charged as the basis, along with interest and bond amortization charges. In the most recent SF-429 Form, as filed in January 2020, the calculation included only the mortgage interest and bond amortization charges as the basis for the filing. Per review of the instructions for Form SF-429, line 41f, Real Property Cost, the total cost of the real property acquired is to include the purchase or acquisition price, plus any applicable improvements. In addition, per our review of the calculation as performed by the Fresno EOC, not all improvements of the property were properly included in the calculation, including those paid for by the Fresno EOC and/or the Head Start program. As such, the Fresno EOC was deficient in performing the calculation in using the total depreciation expense cumulatively at the corresponding year-end and not the original purchase/acquisition price of the properties as well not including all applicable improvements for the calculation of the federal interest.

We recommend that management reperform the calculation, using the true purchase/acquisition costs plus any and all improvements, less any suite specific improvements as per Head Start program guidelines, made on the property to properly calculate the federal interest percentage applicable to the Head Start program.

As per the guidance and instructions for completion of the SF-429 form, we recommend that management review the history of all charged mortgage interest per the facilities cost pool allocation to other federal programs and determine if per the individual federal programs grant agreements they are required to report additional federal interest on the FEP on the SF-429 form. Per our procedures performed, it was noted that a previous settlement was reached with the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) for grants between federal fiscal years 1991 and 2001. This settlement confirms that WIC has no federal interest in the FEP property, and no further analysis will be needed on this program. However, other federal programs may need further analysis to determine if a federal interest is necessary in the FEP property.

During the course of procedures performed, it was noted by the Office of Head Start's Program Performance Summary Report dated January 17, 2020, the Fresno EOC utilized a facility cost pool for the FEP property that included unallowable costs to the Head Start grant and did not ensure costs charged to the Head Start program directly benefited the grant award. A review of the FEP Space Cost Allocation Procedures found the Fresno EOC allocated all facility expenses regardless of benefit to a specific program and charged each program including Head Start on all useable square footage and operating costs based on occupied square footage. A review of the FEP Monthly Rent Allocation worksheet found the Fresno EOC was not properly allocating square footage to the Head Start Program. A review of the FEP Monthly Rent Allocation found space allocated 100 percent to Head Start despite other programs sharing the use of the space. For example, the FEP Monthly Rent Allocation worksheet for the period January 1 to December 31, 2018, allocated the total square footage of the 1920 Building B Head Start Board Room to the Head Start Program. The Financial Officer confirmed the Head Start Board Room was used for Fresno EOC Board meetings as well as other building tenants. She verified the space was not for the sole use of Head Start and the Board Room was inaccurately allocated 100 percent to Head Start. Between the release of the Office of Head Start's Program Performance Summary Report and our procedures performed, we noted the Financial Officer determined the proper percentage for allocation of the Board Room was 38% to Head Start and 62% to the indirect cost pool. We have reviewed the calculation and factors used in determining the board room utilization as calculated without exception. However, determining the actual percent to allocate for each year dating back to 1991 would not be feasible. Management will need to work on a compromise and agreement with the Office of Head Start to determine if the updated percent allocation can be used as an estimate for each year dating back to 1991.

Per OMB guidance, depreciation charged to federal programs, such as the Head Start Program, is an allowed cost allocation to the program. Depreciation needs to be reduced by the federal interest percentage in said asset's depreciation being charged to the program to avoid double costs charged to the federal program and creating questioned costs of the program. In the Fresno EOC's case, the federal interest generated in the FEP is from the allocation of mortgage interest and bond amortization, as noted above. This created a federal interest percentage in the total acquisition value of the FEP. The acquisition value for the federal interest calculation is different than the cost basis for which in the facility cost pool depreciation is calculated and charged to the program. Depreciation is based on the cost basis in accordance with generally accepted accounting principles (GAAP), which only includes the original cost of the FEP. The cost basis doesn't include the mortgage interest and bond amortization, as in accordance with GAAP, they are expensed as incurred and amortized over the life of the bond, respectively. The cost basis, or purchase price of the building, was fully funded by the Fresno EOC. This creates a unique situation in determining if the federal interest percentage, as generated on the acquisition value, should be considered in a reduction of the depreciation as charged to the program based on the cost basis as fully funded by the Fresno EOC. As such, after the federal interest is properly calculated and corrected, the Fresno EOC will need to work with the Office of Head Start, and any other applicable federal agency for which depreciation was charged as part of the cost allocation procedures to the program, and determine if any questioned overcharged costs exist for the reduction of the federal interest percentage of said assets for which depreciation was charged to the program(s). This agreement with Head Start will include whether the allocation of depreciation on the FEP should be adjusted based on the federal interest percentage generated on the full acquisition value of the FEP, or continue in full based on the cost basis of the FEP, for which the Fresno EOC fully funded.

2. After review of all policies and procedures, supporting documentation, the Form SF-429 and applicable regulations, provide a schedule of findings and recommendations for management.

Findings: As part of our procedures performed, we reviewed the Fresno EOC's Form SF-429 Procedures & Computation instructions, along with the Fresno EOC's Accounting Policies and Procedures Manual. From our review and procedures performed, we recommend the following as improvements to the Fresno EOC's procedures and policies:

In our procedures performed, we reviewed the cost allocation methodology used to establish a preliminary square foot rate annually dating back to 1991 that is used to reconcile the final rate and annual allocation of the cost pool without exception. We noted that the budgeted costs are reconciled to actual on an annual basis for the Head Start program. We recommend that the Fresno EOC update their procedures and policies to include a semi-annual reconciliation of budgeted costs to actual for true-up purposes and more timely accurate costs allocated to the Head Start program.

We recommend a formal review and approval of the SF-429 Form by the Fresno EOC CEO and either the full board or a member of the Board prior to submission. The procedures should also include policies and practices to properly identify and report all improvements to the building for proper reporting on Schedule B of the SF-429 Form for improvements paid by a federal agency as per the instructions of the SF-429 Form.

We recommend under the Accounting Policies, Section X, Financial Reporting Procedures, on page 114, that the Fresno EOC add language to include all federal programs, and not just Head Start for which you identify and report for SF-429 Form reporting.

Under the Accounting Policies, we also recommend in the 990 Tax Form reporting section, the Fresno EOC can update the language regarding the filing of extensions to current tax rules. Non-Profits now only need to file one extension for reporting, which is six months. No longer are the two three-month extensions applicable.

3. Prepare any supplementary information as required by the Quality Improvement Plan in conjunction with all procedures as previously performed.

Findings: Based on our review of the Quality Improvement Plan, and discussion with management, other than this report and the training as noted below, there were no additional supplementary information required to be prepared.

4. Prepare and provide management with training agenda and attendance documents to be used for implementation of findings and recommendations.

Findings: Training will be provided to management covering the findings and recommendations of this report. We will assist management with the recalculation of the federal interest using the findings as previously noted. Per the updated recalculation of the federal interest for the Head Start Program, it was determined that 11.41% should be reported to the Head Start Program for their federal interest percentage on the SF-429 Form. The Fresno EOC's percentage as reported was 24.48%, an overstatement of 13.07% from the updated current rate. See Attachment A to this report with the updated calculation through the current report date.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination, or review, the objective of which would be the expression of an opinion on the policies and procedures of the facility cost allocation and federal interest reporting. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures; other matters might have come to our attention that would have been reported.

This report is intended solely for the information and use of the Board of Commissioners and management of the Fresno EOC and is not intended to be, and should not be, used by anyone other than these specified parties. However, this report is a matter of public record, and its distribution is not limited.

HUDSON HENDERSON & COMPANY, INC.

Hudson Henderson & Company, Inc.

Fresno, California
June XX, 2020

DRAFT

**FRESNO ECONOMIC OPPORTUNITIES COMMISSION
ATTACHMENT A
SF-429 FORM CALCULATION THROUGH JUNE XX, 2020**

HHS HS 0-5 Building A&B						Non-Federal (Agency)					
Year	Acquisition	Building Improvement	Mortgage Interest	Bond Issuance Cost	Total	HS Federal Interest %	Acquisition	Building Improvement	Mortgage Interest	Bond Issuance Cost	Total
1991	\$4,988,858	841	243,100		5,232,799	0.24%	\$4,988,858	\$841	\$230,338	\$0	\$5,220,037
1992		96,582	483,225		579,807	0.60%		96,582	461,163		557,745
1993		23,145	476,850		499,995	1.01%		23,145	447,635		470,780
1994		-	469,848	33,050	502,898	1.73%		-	419,808	29,375	449,183
1995		-	462,188	33,050	495,238	2.59%		-	395,409	27,944	423,353
1996		-	453,900	33,050	486,950	3.40%		-	383,877	27,944	411,821
1997		-	444,975	33,050	478,025	4.44%		-	349,506	26,239	375,745
1998		-	435,200	33,050	468,250	5.82%		-	302,727	23,604	326,331
1999		170,669	422,733	33,050	626,452	6.90%		170,669	295,363	23,099	489,131
2000			411,117	33,050	444,167	7.96%		285,884	22,988		308,872
2001			398,650	33,050	431,700	8.92%		272,822	22,625		295,447
2002			385,050	33,050	418,100	9.82%		266,305	22,862		289,167
2003		5,389	375,715	388,311	769,415	11.38%		253,406	261,903		515,309
2004			159,125	3,287	162,412	11.70%		104,607	2,173		106,781
2005			115,817	12,877	128,694	11.94%		76,884	8,556		85,440
2006		101,528	90,838		192,366	11.99%		101,528	61,563		163,091
2007		81,634	70,230		151,864	12.03%		81,634	47,705		129,339
2008			48,250		48,250	12.11%			32,888		32,888
2009		673,254	24,745		697,999	11.51%		673,254	16,590		689,844
2010		143,841			147,004	11.39%		143,841	2,083		145,924
2011		169,740	3,163		169,740	11.65%		115,748			115,748
2012		131,628			131,628	11.54%		131,628			131,628
2013					-	11.54%					-
2014					-	11.54%					-
2015					-	11.54%					-
2016					-	11.54%					-
2017					-	11.54%					-
2018		8,763			8,763	11.53%		8,763			8,763
2019		10,653			10,653	11.52%		10,653			10,653
2020					-						-
to date		125,786			125,786			125,786			125,786
Total	\$4,988,858	\$1,743,453	\$9,974,719	701,925	13,408,955	11.41%	\$ 4,988,858	\$ 1,684,072	\$ 706,562	\$ 499,313	\$ 11,878,805



FINANCE COMMITTEE MEETING

Date: June 10, 2020	Program: Finance
Agenda Item #: 6	Officer: Rebecca Heinrich
Subject: Financial Reports	Officer: Salam Nalia

Recommended Action

Staff recommends for the full Board consideration the Committee's acceptance of the unaudited Financial Statements and the unaudited Financial Status Report for the Head Start 0-5 program as of April 2020.

Background

In accordance with the Agency's bylaws, the Finance Committee shall advise in the preparation and administration of the operating budget and oversee the administration, collection, and disbursement of the financial resources of the organization. Additionally, the Treasurer is to ensure the commissioners understand the financial situation of the organization, which includes ensuring financial statements for each month are available for each meeting of the Board of Commissioners. As such, the monthly financials for Fresno EOC (consolidated) and for Head Start are provided for review and acceptance.

Fiscal Impact

- (A) Agency Statement of Activities and Statement of Financial Position:
As of April 30, 2020, the Agency had preliminary revenue of \$41.2 million, including \$11.2 million of in-kind contributions, and net operating surplus of \$691. In comparison, the Agency had revenue of \$42.6 million including in-kind of \$12.5 million as of the corresponding period of the preceding year.
- (B) Head Start 0-5 Financial Status Report for the following areas:
- Head Start – Basic; Head Start – Training & Technical Assistance (T&TA)
 - Early Head Start – Basic; Early Head Start – Training & Technical Assistance (T&TA)

A request to carryover funding from 2019 into 2020 will be submitted to HHS for approval, as presented subsequently in this packet. The budget and expenditure tracking specific to Duration funding will resume following approval of the carryover.

FRESNO ECONOMIC OPPORTUNITIES COMMISSION
STATEMENT OF ACTIVITIES
For The Four Month Period Ended April 30, 2020 and 2019

	A	B	A - B	C	D	B - D
	BUDGET JAN - DEC 2020	ACTUAL APR 2020	BUDGET BALANCE REMAINING	ACTUAL JAN - DEC 2019	ACTUAL APR 2019	ACTUAL 2020 vs 2019 Differences
REVENUES AND SUPPORT						
GRANT REVENUE	\$ 82,029,680	\$ 22,650,858 28%	\$ 59,378,822	70,709,469	\$ 23,189,316	(538,458)
REVOLVING LOAN GRANT REVENUE	-	-	-	131,700	-	-
CHARGES FOR SERVICES	16,426,275	5,352,253 33%	11,074,022	15,660,620	4,462,541	889,712
OTHER PROGRAM REVENUE	3,536,400	1,091,477 31%	2,444,923	3,771,212	1,357,587	(266,110)
CONTRIBUTIONS	69,685	17,727 25%	51,958	343,482	241,528	(223,801)
MISCELLANEOUS INCOME	219,265	46,088 21%	173,177	218,354	72,000	(25,912)
INTEREST & INVESTMENT INCOME	96,000	24,098 25%	71,902	47,174	66,873	(42,775)
AFFILIATE INTEREST INCOME	977,720	313,622 32%	664,098	885,834	272,616	41,006
RENTAL INCOME	1,256,595	452,014 36%	804,581	1,234,487	419,639	32,375
TOTAL CASH REVENUE	\$ 104,611,620	\$ 29,948,137 29%	\$ 74,663,483	\$ 93,002,332	\$ 30,082,100	(133,963)
IN KIND REVENUE	\$ 32,991,055	\$ 11,261,028 34%	\$ 21,730,027	35,264,852	\$ 12,516,771	(1,255,743)
TOTAL REVENUE & SUPPORT	137,602,675	41,209,165 30%	96,393,510	128,267,184	42,598,871	(1,389,706)
EXPENDITURES						
PERSONNEL COSTS	\$ 66,198,180	\$ 20,876,192 32%	\$45,321,988	59,653,510	\$ 20,150,675	725,517
ADMIN SERVICES	5,810,400	1,430,108 25%	4,380,292	5,124,490	1,480,082	(49,974)
PROFESSIONAL SERVICES - AUDIT	103,915	23,735 23%	80,180	94,883	27,954	(4,219)
CONTRACT SERVICES	11,712,675	2,063,341 18%	9,649,334	8,459,184	2,718,205	(654,864)
FACILITY COSTS	5,345,730	1,736,319 32%	3,609,411	5,165,716	1,561,199	175,120
TRAVEL, MILEAGE, VEHICLE COSTS	2,691,175	475,640 18%	2,215,535	2,833,819	855,706	(380,066)
EQUIPMENT COSTS	1,717,700	248,616 14%	1,469,084	1,626,881	211,417	37,199
DEPRECIATION - AGENCY FUNDED	345,000	120,110 35%	224,890	342,955	112,734	7,376
OFFICE EXPENSE	1,877,600	451,876 24%	1,425,724	1,809,317	585,129	(133,253)
INSURANCE	804,060	248,909 31%	555,151	780,046	245,728	3,181
PROGRAM SUPPLIES & CLIENT COSTS	7,625,880	2,207,705 29%	5,418,175	6,806,341	2,027,981	179,724
INTEREST EXPENSE	145,275	32,701 23%	112,574	103,495	20,851	11,850
OTHER COSTS	234,030	32,194 14%	201,836	199,486	83,976	(51,782)
TOTAL CASH EXPENDITURES	\$ 104,611,620	\$ 29,947,446 29%	\$ 74,664,174	93,000,123	\$ 30,081,637	(134,191)
IN KIND EXPENSES	\$ 32,991,055	\$ 11,261,028 34%	\$ 21,730,027	35,264,852	\$ 12,516,771	(1,255,743)
TOTAL EXPENDITURES	137,602,675	41,208,474 30%	96,394,201	128,264,975	42,598,408	(1,389,934)
OPERATING SURPLUS (DEFICIT)	\$ -	\$ 691	\$ (691)	\$ 2,209	\$ 463	228
OTHER INCOME / EXPENSE						
TRANSIT GRANT ASSET DEPRECIATION		(159,281)	159,281	(414,107)	(131,935)	(27,346)
NET SURPLUS (DEFICIT)	\$ -	\$ (158,590)	158,590	\$ (411,898)	\$ (131,472)	(27,118)

FRESNO ECONOMIC OPPORTUNITIES COMMISSION
STATEMENT OF FINANCIAL POSITION
As of April 30, 2020

	2020	2019	Differences
ASSETS			
CASH & INVESTMENTS	\$ 13,494,353	\$ 12,947,673	\$ 546,680
ACCOUNTS RECEIVABLE	8,183,910	8,449,827	(265,917)
PREPAIDS/DEPOSITS	209,033	164,079	44,954
INVENTORIES	213,757	153,054	60,703
PROPERTY, PLANT & EQUIPMENT	14,240,515	15,060,194	(819,679)
NOTES RECEIVABLE	14,962,850	11,231,881	3,730,969
TOTAL ASSETS	\$ 51,304,418	\$ 48,006,708	\$ 3,297,710
LIABILITIES			
ACCOUNTS PAYABLE	\$ 1,796,890	\$ 2,126,388	\$ (329,498)
ACCRUED PAYROLL LIABILITIES	3,949,189	3,641,057	308,132
DEFERRED REVENUE	2,276,214	1,076,299	1,199,915
NOTES PAYABLE	13,186,523	10,382,446	2,804,077
HEALTH INSURANCE RESERVE	3,146,896	3,163,619	(16,723)
OTHER LIABILITIES	1,583,564	2,004,865	(421,301)
TOTAL LIABILITIES	\$ 25,939,276	\$ 22,394,674	\$ 3,544,602
FUND BALANCE			
CURRENT OPERATING EARNINGS (YTD)	\$ 691	\$ 463	\$ 228
UNRESTRICTED NET ASSETS	12,199,879	12,288,099	(88,220)
REVOLVING LOAN FUND	2,788,196	2,366,895	421,301
INVESTMENT IN GENERAL FIXED ASSETS	10,376,376	10,956,577	(580,201)
TOTAL FUND BALANCE	\$ 25,365,142	\$ 25,612,034	\$ (246,892)
TOTAL LIABILITIES AND FUND BALANCE	\$ 51,304,418	\$ 48,006,708	\$ 3,297,710

Fresno Economic Opportunities Commission
Head Start/Early Head Start Financial Status
Monthly Report
April 30, 2020

Description	Head Start - Basic				Head Start - T & TA			
	Annual Budget	Current Expenses	YTD Expenses	Balance Remaining	Annual Budget	Current Expenses	YTD Expenses	Balance Remaining
Personnel	\$19,612,838	\$1,343,254	\$6,168,035	\$13,444,803				
Fringe Benefits	7,637,343	736,053	2,972,290	4,665,053				
Total Personnel	27,250,181	\$2,079,307	9,140,325	18,109,856				
Travel	10,977	-	15	10,962	-	-	-	-
Equipment*	-	-	-	-	-	-	-	-
Supplies	586,152	6,684	94,862	491,290	43,156	-	105	43,051
Contractual	863,268	76,534	402,889	460,379	468	-	17	451
Facilities / Construction								
Other:								
Food Cost	986,535	209,566	418,348	568,187				
Transportation	580,105	1,504	168,307	411,798				
Staff Mileage	217,507	13,341	69,037	148,470				
Field Trips, including Transportation	34,783	-	-	34,783				
Space	748,831	63,438	267,689	481,142				
Utilities / Telephone / Internet	498,258	58,959	132,587	365,671				
Publication/Advertising/Printing	42,168	256	3,806	38,362				
Repair/Maintenance Building	366,935	3,157	113,360	253,575				
Repair/Maintenance Equipment	28,509	12,477	13,530	14,979				
Property & Liability Insurance	154,446	11,357	45,427	109,019				
		-						
Parent Involvement / CWPC	75,048	772	9,890	65,158				
		-						
Other Costs*	36,437	805	20,126	16,311				
Staff & Parent Training					319,424	(382)	16,924	302,500
Total Direct Charges	\$32,480,140	\$2,538,157	10,900,198	\$21,579,942	\$363,048	(382)	\$17,046	\$346,002
Total Indirect Charges	\$2,436,011	\$190,362	\$817,515	\$1,618,496	\$27,228	(\$29)	\$1,278	\$25,950
Total Federal Expenditures	\$34,916,151	\$2,728,519	11,717,713	\$23,198,438	\$390,276	(411)	\$18,324	\$371,952
% of Annual Budget Expended to Date			34%				5%	
Non-Federal Share	\$8,729,038	\$682,130	\$2,929,428	\$5,799,610	\$97,569	\$0	\$4,581	\$92,988

Credit Card Expenses: Credit card statement dated 4/1/20 - 4/30/20
April 2020 expenses

Staff Training	\$	(1,393)	BW Island Hotel Marina- refund for cancelled CA Teaching Pyramid training
Contract Services - Facility Repairs		460	Azuga Fleet - vehicle tracking maintenance support
	\$	(933)	

Fresno Economic Opportunities Commission
Head Start/Early Head Start Financial Status
Monthly Report
April 30, 2020

Description	Early Head Start - Basic				Early Head Start - T & TA			
	Annual Budget	Current Expenses	YTD Expenses	Balance Remaining	Annual Budget	Current Expenses	YTD Expenses	Balance Remaining
Personnel	\$3,058,209	\$198,941	\$830,795	\$2,227,414	\$44,714	\$0	\$0	\$44,714
Fringe Benefits	699,659	\$73,743	310,694	388,965	11,608	-	-	11,608
Total Personnel	3,757,868	272,684	1,141,489	2,616,379	56,322	-	-	56,322
Travel	-	-	-	-	-	-	-	-
Equipment*	-	-	-	-	-	-	-	-
Supplies	113,693	(415)	12,660	101,033	1,500	-	-	1,500
Contractual	138,811	15,586	63,248	75,563	128	-	1	127
Facilities / Construction								
Other:								
Food Cost	10,638	2,266	5,681	4,957				
Transportation	3,371	278	1,317	2,054				
Staff Mileage	37,680	-	6,469	31,211				
Field Trips, including Transportation	-	-	-	-				
Space	77,171	11,267	46,171	31,000				
Utilities / Telephone / Internet	64,717	5,620	23,643	41,074				
Publication/Advertising/Printing	5,640	3,055	3,340	2,300				
Repair/Maintenance Building	77,482	(15)	4,077	73,405				
Repair/Maintenance Equipment	10,436	-	168	10,268				
Property & Liability Insurance	20,007	1,534	6,137	13,870				
Parent Involvement / CWPC	4,630	-	570	4,060				
Other Costs*	4,628	307	1,140	3,488				
Staff & Parent Training					41,512	(527)	474	41,038
Total Direct Charges	\$4,326,772	312,167	\$1,316,110	\$3,010,662	\$99,462	(\$527)	\$475	\$98,987
Total Indirect Charges	\$324,508	\$23,412	\$98,708	\$225,800	\$7,460	(\$39)	\$36	\$7,424
Total Federal Expenditures	\$4,651,280	335,579	\$1,414,818	\$3,236,462	\$106,922	(\$566)	\$511	\$106,411
% of Annual Budget Expended to Date			30%				0%	
Non-Federal Share	\$1,162,820	\$83,895	\$353,704	\$809,116	\$26,730	\$0	\$128	\$26,603

Credit Card Expenses: Credit card statement dated 4/1/20 - 4/30/20	
April 2020 expenses	
Contract Services - Facility Repairs	46 Azuga Fleet - vehicle tracking for Support Services vehicles
\$	46



Statement Expenses

05/26/2020 02:31 PM PT
Requested By: HARRISON, THELMA

Cardholder Summary

Cardholder Name:	[REDACTED]	Start Date:	04/01/2020
Card Number:	[REDACTED]	End Date:	04/30/2020
Status:	Open	Reminder Period:	05/01/2020 through 05/06/2020
Charges:	(1,393.15) USD	Grace Period:	05/07/2020 through 05/13/2020
Out-of-pocket:	0.00 USD	Approval Period:	05/14/2020 through 05/19/2020
Total Amount:	(1,393.15) USD		

Charges

1.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	03/25/2020	04/01/2020	Earth Day Fresno 5592373223,CA		ACCTS PAY(Accts Pay)	No	(25.00) USD / (25.00)
	PROGRAM		PROJECT		Refund 01-5792-41020		
2.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/22/2020	04/23/2020	Bw Islandhotelmarina. 6192220561,CA		ACCTS PAY(Accts Pay)	No	(437.27) USD / (437.27)
	PROGRAM		PROJECT		Refund 01-5792-41020		
3.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/22/2020	04/23/2020	Bw Islandhotelmarina. 6192220561,CA		ACCTS PAY(Accts Pay)	No	(482.35) USD / (482.35)
	PROGRAM		PROJECT		Refund 01-5792-41020		
4.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/22/2020	04/23/2020	Bw Islandhotelmarina. 6192220561,CA		ACCTS PAY(Accts Pay)	No	(448.53) USD / (448.53)
	PROGRAM		PROJECT		Refund 01-5792-41020		

Total Charges: (1,393.15) USD

‡ - The Receipt Submitted column indicates that a receipt was submitted via fax, email, at the statement level, or using a system other than the Commercial Card Expense Reporting service.

---End of Report---



Statement Expenses

 05/26/2020 02:31 PM PT
 Requested By: HARRISON, THELMA

Cardholder Summary

Cardholder Name:	[REDACTED]	Start Date:	04/01/2020
Card Number:	[REDACTED]	End Date:	04/30/2020
Status:	Open	Reminder Period:	05/01/2020 through 05/06/2020
Charges:	14,727.83 USD	Grace Period:	05/07/2020 through 05/13/2020
Out-of-pocket:	0.00 USD	Approval Period:	05/14/2020 through 05/19/2020
Total Amount:	14,727.83 USD		

Charges

1.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/01/2020	04/02/2020	Mailchimp Monthly Mailchimp.com,GA	95-5737 - OUTREACH	ACCTS PAY(Accts Pay)	Yes	34.99 USD / 34.99
	Description PO#269901 MONTH MARKETING CDFI						Not HS
	PROGRAM ALL PROJECTS		PROJECT 56110				
2.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/02/2020	04/03/2020	Amazon.com 1z82c1cn3 Amzn.com/bill,WA	01-5415 - EQUIPMENT UNDER \$5000	ACCTS PAY(Accts Pay)	Yes	294.89 USD / 294.89
	Description PRINTER FOR CHIEF OF STAFF KARINA PEREZ						Not HS
	PROGRAM ALL PROJECTS		PROJECT 01001				
3.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/03/2020	04/06/2020	Zoom.us 888-799-9666,CA	01-5512 - SUBSCRIPTION EXPENSE	ACCTS PAY(Accts Pay)	Yes	14.99 USD / 14.99
	Description STANDAR MONTHLY ZOOM FEE 4/3/20-5/2/20						Not HS
	PROGRAM ALL PROJECTS		PROJECT 01014				
4.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/03/2020	04/06/2020	Sendgrid 1-877-969-8647 877-9698647,CO	01-5512 - SUBSCRIPTION EXPENSE	ACCTS PAY(Accts Pay)	Yes	89.95 USD / 89.95
	Description ACCT#900175 INV#05653490 APRIL 2020 IT						Not HS
	PROGRAM ALL PROJECTS		PROJECT 01010				
5.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/07/2020	04/08/2020	Cms Communications Inc 636-5302619,MO	01-5520 - COMPUTER SUPPLIES	ACCTS PAY(Accts Pay)	Yes	3,263.24 USD / 3,263.24
	Description HP ELITEBOOK LAPTOP SANCTUARY HOUSING						Not HS
	PROGRAM ALL PROJECTS		PROJECT 80340				
6.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/08/2020	04/09/2020	Hi Tech Home 559-521-1400,CA	01-5260 - SECURITY SERVICES	ACCTS PAY(Accts Pay)	Yes	59.85 USD / 59.85
	Description PO#270042 MONTHLY ALARM FEE						Not HS
	PROGRAM ALL PROJECTS		PROJECT 80310				

7.	Transaction Date 04/07/2020	Posting Date 04/09/2020	Merchant Ringcentral, Inc 650-4724100,CA	General Ledger Code 01-5570 - TELEPHONE	Unit ACCTS PAY(Accts Pay)	Receipt Submitted ‡ Yes	Amount / Original Currency 222.37 USD / 222.37
	Description	PO#269801 PHONE LINES FEES SANCTUARY YOUTH SHELTER					Not HS
	PROGRAM	ALL PROJECTS		PROJECT	80107		
8.	Transaction Date 04/08/2020	Posting Date 04/09/2020	Merchant Dlx Aplus Dlx For Bus 877-275-8763,FL	General Ledger Code 95-5522 - SOFTWARE LICENCES	Unit ACCTS PAY(Accts Pay)	Receipt Submitted ‡ Yes	Amount / Original Currency 34.98 USD / 34.98
	Description	ACCESS PLUS DOMAIN FEES					Not HS
	PROGRAM	ALL PROJECTS		PROJECT	56110		
9.	Transaction Date 04/09/2020	Posting Date 04/10/2020	Merchant Adobe Acropro Subs 800-443-8158,CA	General Ledger Code 01-5522 - SOFTWARE LICENCES	Unit ACCTS PAY(Accts Pay)	Receipt Submitted ‡ Yes	Amount / Original Currency 70.19 USD / 70.19
	Description	1-LICENSE ACROBAT PRO -MICHELLE TUTUNJIAN E/O					Not HS
	PROGRAM	ALL PROJECTS		PROJECT	01001		
10.	Transaction Date 04/09/2020	Posting Date 04/10/2020	Merchant Infinite Conferencing Inc 888-2037900,NJ	General Ledger Code	Unit ACCTS PAY(Accts Pay)	Receipt Submitted ‡ No	Amount / Original Currency 476.23 USD / 476.23
	PROGRAM	PROJECT					Not HS
11.	Transaction Date 04/09/2020	Posting Date 04/10/2020	Merchant Dlx Aplus Dlx For Bus 877-275-8763,FL	General Ledger Code 95-5522 - SOFTWARE LICENCES	Unit ACCTS PAY(Accts Pay)	Receipt Submitted ‡ Yes	Amount / Original Currency 2.50 USD / 2.50
	Description	ACCESS PLUS LENDING .COM DOMAIN FEES					Not HS
	PROGRAM	ALL PROJECTS		PROJECT	56110		
12.	Transaction Date 04/12/2020	Posting Date 04/13/2020	Merchant Dlx Aplus Dlx For Bus 877-275-8763,FL	General Ledger Code	Unit ACCTS PAY(Accts Pay)	Receipt Submitted ‡ No	Amount / Original Currency 34.98 USD / 34.98
	PROGRAM	PROJECT					Not HS
13.	Transaction Date 04/14/2020	Posting Date 04/14/2020	Merchant Stk Shutterstock 866-6633954,NY	General Ledger Code	Unit ACCTS PAY(Accts Pay)	Receipt Submitted ‡ No	Amount / Original Currency 99.00 USD / 99.00
	PROGRAM	PROJECT					Not HS
14.	Transaction Date 04/15/2020	Posting Date 04/15/2020	Merchant Nestle Usa 818-549-6452,CA	General Ledger Code 01-5420 - LEASED - OTHER	Unit ACCTS PAY(Accts Pay)	Receipt Submitted ‡ Yes	Amount / Original Currency 190.00 USD / 190.00
	Description	NESCAFE MILANO M8100 FS 3-16-20 TO 4-15-20					Not HS
	PROGRAM	ALL PROJECTS		PROJECT	21001		
15.	Transaction Date 04/16/2020	Posting Date 04/17/2020	Merchant Hello Hellosign Httpswww.hell,CA	General Ledger Code 01-5512 - SUBSCRIPTION EXPENSE	Unit ACCTS PAY(Accts Pay)	Receipt Submitted ‡ Yes	Amount / Original Currency 6,912.00 USD / 6,912.00
	Description	Hello sign enterprise subscription					Not HS
	PROGRAM	ALL PROJECTS		PROJECT	01010		

16.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/20/2020	04/21/2020	Stk Shutterstock 866-6633954,NY	01-5737 - OUTREACH	ACCTS PAY(Accts Pay)	Yes	49.00 USD / 49.00
Description PO#272624 WX MONTHLY FEE -10 IMAGES 01-5737- 72203							Not HS
PROGRAM			PROJECT				
17.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/22/2020	04/23/2020	Azuga Fleet 866-777-9718,CA		ACCTS PAY(Accts Pay)	No	505.78 USD / 505.78
Description							
PROGRAM			PROJECT				
Vehicle tracking							01-5111-41000 \$ 460.26 01-5111-45000 \$ 45.52 HS/EHS *
18.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/25/2020	04/27/2020	Ringcentral, Inc 650-4724100,CA	01-5570 - TELEPHONE	ACCTS PAY(Accts Pay)	Yes	222.37 USD / 222.37
Description SUBSCRIPTION FEE LGBTQ							Not HS
PROGRAM			PROJECT 80030				
19.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/27/2020	04/28/2020	Ringcentral, Inc 650-4724100,CA		ACCTS PAY(Accts Pay)	No	73.04 USD / 73.04
Description							
PROGRAM			PROJECT				
							Not HS
20.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/27/2020	04/28/2020	Zoom.us 888-799-9666,CA	01-5512 - SUBSCRIPTION EXPENSE	ACCTS PAY(Accts Pay)	Yes	1,999.00 USD / 1,999.00
Description STANDAR BIZ ANNUAL ZOOM FEE 4/16/20-4/15/202001-5512-01024							Not HS
PROGRAM			PROJECT				
21.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/27/2020	04/28/2020	T38fax.com 215-8258720,PA	95-5570 - TELEPHONE	ACCTS PAY(Accts Pay)	Yes	11.56 USD / 11.56
Description OUTLOOK ANDROID APC INV#125391							Not HS
PROGRAM			PROJECT 56110				
22.	Transaction Date	Posting Date	Merchant	General Ledger Code	Unit	Receipt Submitted ‡	Amount / Original Currency
	04/28/2020	04/29/2020	Amzn Mktp Us Ry47k48f3 Amzn.com/bill,WA		ACCTS PAY(Accts Pay)	No	66.92 USD / 66.92
Description							
PROGRAM			PROJECT				
							Not HS

Total Charges: 14,727.83 USD

‡ - The Receipt Submitted column indicates that a receipt was submitted via fax, email, at the statement level, or using a system other than the Commercial Card Expense Reporting service.

---End of Report---



FINANCE COMMITTEE MEETING

Date: June 10, 2020	Program: Finance
Agenda Item #: 7	Officer: Rebecca Heinrich
Subject: Insurance Renewal	Officer: Salam Nalia

Recommended Action

Staff recommends for the full Board consideration the Committee's approval of the renewal of the insurance policies presented below for the period of July 1, 2020 to July 1, 2021 for a quoted premium of \$710,573.

Background

The following insurance coverage is being renewed:

- A. NIAC - Property. Provides replacement cost coverage on buildings (limit \$32.6 million) and personal property (limit \$6.5 million) as well as business income. Also included is coverage for Contractor Equipment. Premium \$137,706.
- B. Great Lakes Insurance SE – Property for the two Head Start centers in Huron and Mendota. NIAC was not able to cover these two facilities based on the distance from the nearest fire station so a separate policy was obtained starting in 2017-18. Premium \$1,200.
- C. Hartford – Crime. Provides crime coverage with a \$2,500,000 limit for Employee Theft and a \$500,000 for non-employee theft, forgery, counterfeit paper, and electronic transfers. This policy provides coverage to employees who duties include cash handling as well as ERISA coverage for the Pension Plan. Premium: \$7,214.
- D. NIAC – General Liability. Provides \$3 million aggregate and \$1 million each occurrence. Includes General Liability, Liquor Liability, Employee Benefits Liability, and Improper Sexual Misconduct coverage. Premium: \$29,891.
- E. NIAC – Improper Sexual Misconduct. Provides \$3 million aggregate and \$1 million each occurrence. Premium: \$12,000.
- F. General Star Indemnity Insurance Co. – Provides Medical Mal-Practice coverage. Provides \$3 million aggregate and \$1 million each occurrence as well as abuse and molestation coverage for the innocent insured at \$1 million. Coverage extends to the contracted physician as well as the nurses, dieticians, and lactation consultants on staff. Premium: \$11,787.

- G. NIAC - Automobile. Provides automotive insurance for 212 vehicles with \$1,000,000 of combined single limit liability coverage with a \$5,000 deductible. Premium: \$299,636.
- H. NIAC - Umbrella. Provides \$10 million Excess Umbrella coverage. Premium: \$90,447.
- I. NIAC – D&O/EPL. Provides Directors & Officers Liability, including Employment Practices Liability. Provides \$2 million aggregate and \$1 million each occurrence with \$25,000 deductible. Premium: \$88,824.
- J. Houston Casualty Company – Cyber Liability. Provides \$1,000,000 per claim and aggregate coverage for multimedia, security and privacy, network security, cyber extortion, regulatory actions, and privacy breach coverage. Premium: \$9,347
- K. NIAC – Social Service Professional Liability. Provides \$3 million aggregate and \$1 million each occurrence. Premium: \$6,521.
- L. National Union Fire Insurance Co of Pittsburgh (AIG) – AD&D. Provides \$250,000 aggregate and \$25,000 each occurrence for Accidental Death or Dismemberment for registered volunteers, participants, and students. Premium: \$16,000.

The renewal proposal prepared by the Agency's Insurance Broker, Heffernan Insurance Brokers, is included for further reference on the above recommendations which are to retain coverage with the incumbent carriers with the exception of the cyber liability policy which is recommended to be placed with Houston Casualty Company rather than Lloyd's of London. The proposal includes a marketing analysis and premium comparison.

Fiscal Impact

The total annual premiums are approximately \$710,573 that is approximately a 5.4% increase from the prior year's premiums of \$674,058. There are increases in premiums for the property policy (2%), general liability (3%), automobile policy (10%) due mostly to a 12% increase in fleet, the directors & officers / EPLI policy (2%), and the umbrella policy (5%). In contrast, the medical malpractice policy has a decreased premium (-3%).

Conclusion

Renewal with the listed carriers is recommended, as supported by the attached recommendation letter from Heffernan Insurance Brokers. Adequate insurance coverage, as is proposed, is required to protect the Agency and its assets.

Fresno Economic Opportunities Commission
Liability Package Executive Renewal Summary 2020 to 2021

Over the past few months, Heffernan Insurance Brokers has conducted a thorough market analysis for the Liability, Property, Auto, Medical Malpractice, Cyber and Directors & Officers/Employment Practices policies of Fresno Economic Opportunities Commission (Fresno EOC). We not only negotiated renewal terms with your incumbent carriers, but also approached other carriers to obtain the pulse of the overall marketplace. This summary encompasses an analysis of your renewal options, claim performance, changes in the marketplace and our carrier recommendations for the 2020-2021 policy year.

State of the Insurance Marketplace:

Last renewal, we saw the insurance marketplace begin to harden. The property premium increased slightly and the per-auto premium also increased. Fortunately, NIAC was able to compensate for these slight increases, by reducing the premiums on some of the other lines. Since last year, the marketplace has continued to harden. Large scale disasters like wildfires and flooding with their large claim payouts have resulted in insurance carrier capacities to shrink and premiums to further increase in the property marketplace. The automobile market has also continued to trend upward as drivers continue to be more distracted, the technology in vehicles make repairs more costly, and large judgements have resulted in record-breaking claim payouts from carriers. The Directors & Officers/Employment Practices (D&O/EPL) marketplace remains difficult as increased claims activity for harassment and discrimination hits companies of all sizes. As we entered 2020, the insurance marketplace was on pace for its first hard market in over 15 years. Then, there was a worldwide pandemic.

The coronavirus pandemic flipped the world upside down. Aside from the health threat of the virus, the business world was greatly impacted and shelter-in-place orders were implemented statewide in mid-March. As companies had to learn to navigate their business during the pandemic, so did insurance companies. Despite the change to our world, several of the factors that have caused the marketplace to harden before the pandemic remain. The D&O/EPL marketplace, hit with increased claims and large payouts, is especially concerned about the pandemic and potential claims that may come when businesses start to reopen. States like California are still at risk for wildfires later in 2020. The silver lining with a large portion of the workforce at home, has meant less auto accidents over the last quarter. However carriers know those numbers will change once more people head back to work and more cars are on the road. Even when the pandemic subsides, we anticipate the insurance marketplace to remain hard beyond 2021.

Fresno EOC's Performance:

Across the board, Fresno EOC had a good year in regards to losses. Fortunately, there were no property claims. There was an uptick in automobile claims, with thirty-six (36) filed in the policy year totaling \$130,450 in incurred costs. Even with the uptick in the number of claims, the incurred costs are roughly \$100,000 less than last year. There was one Directors & Officers/Employment Practices claim which has been reserved at \$25,000. With the size of Fresno EOC, the loss performance is very favorable. With the market segments noted above that are hardening, the only thing an insured can control is their performance. We applaud Fresno EOC for doing a good job of managing their claims this past policy year.

Nonprofits Insurance Alliance of California (NIAC) Renewal:

Notwithstanding the various market segments experiencing a hardening, we are very pleased to be presenting an overall small increase in premium. Fresno EOC 2019-2020 renewal premium was \$674,058 and the renewal for 2020-2021 is \$710,573; which is an increase of roughly 5%. The premium increase is mainly due to an increase in exposures. There are eighteen (18) more physical locations as well as twenty-two (22) more vehicles as compared to the renewal last year. NIAC compensated for the exposure increase by absorbing part of the premium so the full impact was not reflected. We have seen with other renewals, carriers have increased deductibles to pass more of the risk onto insureds. We are happy to share NIAC kept all the same deductibles in place, including the D&O/EPL deductible. Outside of NIAC, many D&O/EPL clients are seeing triple-digit deductibles. In spite of the gloomy market conditions, NIAC provided us with a great renewal. Fresno EOC continues to be a steady performer with low numbers of claims across all lines of coverage. NIAC recognizes Fresno EOC's performance and insulated the renewal from many of the outside factors that are affecting the greater marketplace.

Market Analysis:

Heffernan Insurance Brokers contacted several insurance carriers for this year's renewal. We obtained indications from several carriers who were unable to compete the pricing and program structure of the incumbents. The indications from the other carriers were drastically higher in premium and deductibles. Although some may have had enhanced coverages, the premium and deductible differentials were so vast, the options were not viable. The Cyber program structure remains the same, however the issuing carrier changed from Lloyd's of London to Houston Casualty. We have provided those results in the marketing analysis portion of the proposal.

Upon completion of our market analysis, the carriers that offered the best overall proposal was again NIAC/General Star/Houston Casualty. The pricing, program structure, and services of NIAC remain the best option this year. Throughout negotiations, NIAC was the carrier who most expressed the desire to retain Fresno EOC as a client and continue the long-term relationship.

Heffernan Insurance Brokers Recommendation:

After completing our analysis, Heffernan Insurance Brokers recommends Fresno EOC bind coverage with NIAC/General Star/Houston Casualty. Besides offering the best pricing, NIAC continues to offer low deductibles in a time when the competition is increasing the deductible obligations of insureds. NIAC is also providing consistent claims services to help with the management of the claims Fresno EOC incurs. NIAC is a valued partner to Heffernan and Fresno EOC and we look forward to this continued partnership.

Sincerely,

Brian O'Callaghan
Senior Vice President
Heffernan Insurance Brokers

Jordann Coleman
Vice President
Heffernan Insurance Brokers

Stacey Okimoto
Executive Account Manager
Heffernan Insurance Brokers

Fresno Economic Opportunities Commission

INSURANCE PROPOSAL

Coverages: Property, Crime, Liability, Automobile, Umbrella Liability, Directors & Officers Liability, Cyber Liability and Student/Volunteer Accident

Renewal Date: July 1, 2020



Presented By:

Heffernan Insurance Brokers

Producers

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As of: June 2, 2020

License #0564249

Named Insured, Locations and Statement of Values

Named Insured

- Fresno County Economic Opportunities Commission (Legal Name)
- Fresno Economic Opportunities Commission
- Access Plus Capital
- Enterprise + Economic Development Center, Inc.
- Fresno County Economic Opportunities Commission Pension Plan

Mailing Address

1920 Mariposa Mall Suite 330, Fresno, CA 93721



Fresno Economic Opportunities Commission

June 2, 2020

Property Coverages

Issuing Company: Nonprofits Insurance Alliance of California
Policy Term: 7/1/2020 - 7/1/2021

Subject of Insurance	Amount	Co-Ins	Deductible	Valuation
Blanket Building	\$32,627,850	90%	\$ 5,000	Replacement Cost
Blanket Business Personal Property and Computer	\$6,480,540	90%	\$ 5,000	Replacement Cost
Business Income with Extra Expense and Rental Value	Actual Loss Sustained	NA	72 Hours	Replacement Cost

Equipment Breakdown is Included as a covered peril at each of the following locations:

- 1900-1920 Mariposa Mall Fresno, CA 93721 – Bldg 1
- 1900-1920 Mariposa Mall Fresno, CA 93721 – Bldg 2
- 3100 W. Nielsen Fresno, CA 93706
- 2336 Calaveras Fresno, CA 93721
- 1441 E. Divisidero Fresno, CA 93701
- 1805 E. California St. Fresno, CA 93706
- 1809 E. California, Fresno, CA 93706

Building Ordinance is included for \$500,000 at each of the following locations:

- 1900-1920 Mariposa Mall Fresno, CA 93721
- 1900-1920 Mariposa Mall Fresno, CA 93721
- 3100 W. Nielsen Fresno, CA 93706
- 2336 Calaveras Fresno, CA 93721
- 1441 E. Divisidero Fresno, CA 93701
- 1805 E. California St. Fresno, CA 93706
- 1809 E. California, Fresno, CA 93706



Property Coverages

Standard ISO Vacancy Clause

- Tenants-when location does not contain enough business personal property to conduct customary operations
- Building owners-considered vacant unless 31% of *total* square feet is occupied AND is rented/used to conduct building operations

Cause of Loss	Property Vacant 60 days or less, loss paid (subject to all other policy terms and conditions)	Property vacant more than 60 days , loss paid (subject to all other policy terms and conditions)
Vandalism, Sprinkler leakage, Building glass breakage, Water damage, Theft or attempted theft	Full loss is paid	Nothing is paid
Any other covered Cause of Loss other than above	Full loss is paid	85% of loss is paid



Property Coverages

Property Coverage Enhancements:

<u>Coverage</u>	<u>Limit</u>
Fire Department Service Charge	\$25,000
Business Income	Increased to 18 Months from 12 Months as provided in the Policy
Business Income – Ordinary Payroll	Period of Restoration Increased to 120 Days and also amended to include Officers, Executives and Managers
Extra Income Expense	Increased to 18 Months from 12 Months as provided in the Policy
Pollutant Clean Up/Removal	\$25,000
Increased Cost of Construction	25% of Building or \$100,000, whichever is less
Business Income from Dependent Properties	\$50,000
Fire Extinguisher Systems Recharge Expense	\$25,000
Arson or Vandalism Reward for Information	\$5,000
Spoilage	\$25,000
Water Damage	\$25,000
Interruption of Utility Services or Off-Premises Power Failure – Loss or Damage	\$25,000
Interruption of Utility Services or Off-Premises Power Failure – Time Element	\$25,000
Earthquake Sprinkler Leakage	\$10,000
New Acquired or Constructed Property	Amends policy terms from 30 days to 60 days
Personal Property Off Premises	\$100,000
Outdoor Property	\$50,000
Outdoor Property – Plants	\$1,000 each/\$10,000
Outdoor Property – Signs	\$25,000
Personal Effects at Described Premises	\$25,000
Valuable Papers & Records at Described Premises	\$25,000
Valuable Papers & Records NOT at Described Premises	\$10,000
Accounts Receivables at Described Premises	\$50,000
Accounts Receivables NOT at Described Premises	\$25,000
Lock and Key Replacement	\$2,500



Equipment Coverages (Inland Marine)

Issuing Company: Nonprofits Insurance Alliance of California
Policy Term: 7/1/2020 - 7/1/2021

Limit of Liability: \$788,891

Deductible: \$5,000 Each Occurrence



Fresno Economic Opportunities Commission

June 2, 2020

Crime Coverages

Issuing Company: Hartford Fire Insurance Company
Policy Term: 7/1/2020 - 7/1/2021

Coverage	Limit	Deductible
<u>Employee Theft</u> – Loss of or Damage to Money, Securities, and other property which results directly from theft by an employee	\$2,500,000	\$10,000
<u>Computer and Funds Transfer Fraud</u> - Loss of and loss from damage to Money, Securities and other property following and directly related to the use of any computer to fraudulently cause a transfer of such money, securities and other property. Will pay for loss of money and securities through Funds Transfer Fraud resulting directly from fraudulent transfer instruction communicated to a financial institution and instructing such institution to pay, deliver or transfer money or securities from the insured's transfer account.	\$500,000	\$5,000
<u>Inside the Premise – Money, Securities and Other Property</u> – Loss of money and securities, and other property inside the premises or banking premise resulting directly from theft, disappearance or destruction	\$500,000	\$5,000
<u>Outside the Premise – Money, Securities and Other Property</u> – Loss of money and securities, and other property outside the premises or banking premise resulting directly from theft, disappearance or destruction	\$500,000	\$5,000
<u>Depositors Forgery or Alteration</u> – Pay for loss resulting directly from forgery or alteration of checks, drafts, promissory notes or similar written premises orders or direction to pay a sum certain in money that are made or drawn upon the insured or insured's agent.	\$500,000	\$5,000
<u>Money Orders and Counterfeit Currency</u> - Loss resulting directly from the insured's having accepted in good faith and in the regular course of business, in exchange for merchandise, money or services: Money orders issued by any post office, express company or bank, that are not paid upon presentation; or counterfeit paper currency that is acquired during the normal course of business.	\$500,000	\$5,000

Coverage Includes Extension of ERISA for the Fresno County Economic Opportunities Commission Pension Plan



Fresno Economic Opportunities Commission

June 2, 2020

Liability Coverages

Issuing Company: Nonprofits Insurance Alliance of California
Policy Term: 7/1/2020 - 7/1/2021

Coverages and Limits

General Liability – Occurrence Form	
General Aggregate Limit	\$3,000,000 – Per Location
Products/Completed Operations	\$3,000,000
Personal/Advertising Injury Limit	\$1,000,000
Each Occurrence	\$1,000,000
Damage to Premises Rented To You	\$ 500,000 – Any One Premise
Medical Expense Limit	\$ 20,000 – Any One Person
Employee Benefits Liability – Claims Made Form	
Each Employee	\$1,000,000
Aggregate	\$3,000,000
<u>Employee Benefit Liability</u>	
<ul style="list-style-type: none"> ▪ Claims Made Form ▪ Retroactive Date 9/1/2010 	
Social Service Professional Liability – Occurrence Form	
Aggregate Limit	\$3,000,000
Each Occurrence Limit	\$1,000,000
The definition of who is an insured is extended to include “Medical Services Provider” as an Insured, while performing Nursing Services as long as they are an Employee, volunteer or intern of the named insured	
Improper Sexual Conduct – Occurrence Form	
General Aggregate Limit	\$3,000,000
Each Claim Limit	\$1,000,000
Liquor Liability – Occurrence Form	
Aggregate Limit	\$1,000,000
Each Common Cause Limit	\$1,000,000



Liability Coverages

Certificates of Insurance and Additional Insured Endorsements

Additional Insured Forms Included, *if required by written contract*:

Owners, Managers or Contractors
Managers or Lessors of Premises
State or Political Subdivisions
Mortgagee, Assignee or Receiver
Charitable Institutions
Volunteers
Designated Persons or Organizations
Lessor of Leased Equipment – Automatic Status from a Lease Agreement

Waiver of Subrogation is Automatically Included for the Following Entities:

Richard Heath & Associates
Pacific Gas & Electric Company
Dept. of Resources, Recycling and Recovery (CalRecycle)
Housing Authority of the City & County of Fresno



Automobile Coverages

Issuing Company: Nonprofits Insurance Alliance of California
Policy Term: 7/1/2020 - 7/1/2021

COVERED AUTO SYMBOLS		
(1) ANY AUTO	(4) OWNED AUTOS OTHER THAN PRIVATE PASSENGER	(7) AUTOS SPECIFIED ON SCHEDULE
(2) ALL OWNED AUTOS	(5) ALL OWNED AUTOS WHICH REQUIRE NO-FAULT COVERAGE	(8) HIRED AUTOS
(3) OWNED PRIVATE PASSENGER AUTOS	(6) OWNED AUTOS SUBJECT TO COMPULSORY U.M. LAW	(9) NON-OWNED AUTOS

Limits and Deductibles:

Limits of Liability and Covered Auto Symbol	
Combined Single Limit	\$1,000,000
Liability Symbol	1, 8, 9
Medical Payments	\$5,000
Medical Payments Symbol	2
Hired Auto Liability	\$1,000,000
Non Owned Auto Liability	\$1,000,000
Liability Deductible	\$5,000 Bodily Injury and Property Damage
Uninsured/Underinsured Motorists	
Uninsured Combined Single Limit	\$1,000,000 Each Accident
Uninsured Motorist Symbol	2
Physical Damage Coverage	
Comprehensive or Specified Cause of Loss Deductible	\$1,000
Comprehensive Deductible Symbol	2
Collision Deductible	\$1,000
Collision Deductible Symbol	2

Note:

- Hired & Non-Owned Auto Liability is provided for the Named Insured only.
- Hired & Non-Owned Auto Liability is for claims that may arise while the driver of a non-owned auto is performing duties on behalf of the Named Insured. This liability coverage does not extend to the owner of the automobile.
- It is highly recommended that the Named Insured confirm with any person that drives on behalf of the Named insured that their personal auto liability is adequate and includes coverage for business use.



Fresno Economic Opportunities Commission

June 2, 2020

Umbrella Liability Coverage

Issuing Company: Nonprofits Insurance Alliance of California
Policy Term: 7/1/2020 - 7/1/2021

Each Occurrence \$10,000,000
Annual Aggregate \$10,000,000
Retained Limit \$10,000

Underlying Coverages

<i>Underlying Coverage</i>	<i>Coverage and Limit Included</i>
General Liability	Yes
Automobile Liability	Yes – Follow Form
Employer’s Liability	Yes – Follow Form
Improper Sexual Conduct	Yes – Up to \$1,000,000
Directors & Officers Liability	Yes – Up to \$1,000,000
Liquor Liability	Yes – Follow Form
Social Service Professional Liability	Yes – Follow Form



Directors & Officers Liability Coverage

Issuing Company: Nonprofits Insurance Alliance of California

Policy Term: 7/1/2020 - 7/1/2021

Aggregate Limit: \$2,000,000

Each Wrongful Act Limit: \$1,000,000

Policy Deductible: \$25,000

Defense Costs: Defense Costs are in addition to the limit of liability and payment by the insurance carrier of defense costs will not reduce the limit of liability

Note regarding Fiduciary Liability: The D&O Form includes under the Definition of Wrongful Act, a specific *Inclusion* for Fiduciary Liability

Wrongful Acts Limitation: The coverage does not apply to wrongful acts that any “member” (insured) knew of or is believed to have known prior to the inception date of the original policy – 9/1/11



Cyber Liability Coverages

Issuing Company: Houston Casualty Company
Policy Term: 7/1/2020 - 7/1/2021

Note: change of insuring carrier; however no change in terms, conditions or exclusions

Claims Made & Reported

	Coverage	Limit
I.	Multimedia Liability	\$1,000,000 Each Claim/\$1,000,000 Aggregate
II.	Security and Privacy Liability	\$1,000,000 Each Claim/\$1,000,000 Aggregate
III.	Privacy Regulatory Defense and Penalties	\$1,000,000 Each Claim/\$1,000,000 Aggregate
IV.	Privacy Breach Response Costs, Notification Expenses and Breach Support and Credit Monitoring Expenses	\$1,000,000 Each Claim/\$1,000,000 Aggregate
	Proactive Privacy Breach Response Costs Sublimit	\$25,000 Each Claim/\$25,000 Aggregate
	Voluntary Notification Expenses Sublimit	\$1,000,000 Each Claim/\$1,000,000 Aggregate
V.	BrandGuard	\$1,000,000 Each Claim/\$1,000,000 Aggregate
VI.	Network Asset Protection	\$1,000,000 Each Claim/\$1,000,000 Aggregate
VII.	Cyber Extortion	\$1,000,000 Each Claim/\$1,000,000 Aggregate
VIII.	Cyber Terrorism	\$1,000,000 Each Claim/\$1,000,000 Aggregate

Maximum Policy Aggregate – Limit of Liability - \$1,000,000

Retentions and Retro Dates:

	Coverage	Retentions	Retro Active Dates
I.	Multimedia Liability	\$25,000 Each Claim	7/1/14
II.	Security and Privacy Liability	\$25,000 Each Claim	7/1/14
III.	Privacy Regulatory Defense and Penalties	\$25,000 Each Claim	7/1/14
IV.	Privacy Breach Response Costs, Notification Expenses and Breach Support and Credit Monitoring Expenses	\$25,000 Each Claim	7/1/14
V.	BrandGuard	N/A	N/A
VI.	Network Asset Protection	\$25,000 Each Claim	N/A
	A. Data Recovery Digital Assets Loss	\$25,000 Each Claim	
	Special Expenses	10% coinsurance each and every loss	
	B. Non-Physical Business Interruption & Extra Expense	8 hour Waiting Period	
VII.	Cyber Extortion	\$25,000 Each Claim	N/A
VIII.	Cyber Terrorism	8 hour Waiting Period	N/A



Fresno Economic Opportunities Commission

June 2, 2020

Professional Liability Coverage

Issuing Company: General Star Indemnity Company
Policy Term: 7/1/2020 - 7/1/2021

Coverage Description: Professional Liability for Misc. Healthcare Facilities
Policy includes a "Designated Professional Services Limitation Endorsement" which includes all professionals associated with the Clinic. (Community Health Clinic, Family Planning and Head Start Nursing)

Professional Liability Limits: \$1,000,000 Each Claim
\$3,000,000 Aggregate

Abuse Molestation Limits: \$1,000,000 Per Claim
\$1,000,000 Aggregate
Coverage is for the entity and innocent insureds ONLY and not for the actual individual (s) who committed the act

Policy Aggregate Limit: \$3,000,000

Deductible: \$5,000 Per Claim

How Limits Apply: Shared Basis regardless of no. of insureds or locations

Retro Active Date: 4/15/85

Claims Expenses: Outside the limit of Liability

Important Notation: 25% Minimum Earned Premium Upon Binding Coverage

Professionals as Insureds

David W. Dowis, MD – Internal Medicine(No Surgery) On behalf of Named Insured – 1/1/00 Retro
Asma Chattha, MD – On Departed Listing, coverage dates 5/1/16-2/28/18 ONLY
Lalaine L. Tiu, MD – On Departed Listing, coverage dates 2/3/14 to 3/11/16 ONLY

Designated Professional Services Limitation

Community Health Clinic
Family Planning Services
Head Start Nursing



Fresno Economic Opportunities Commission

June 2, 2020

Accident Death and Disability Coverage

Issuing Company: National Union Fire Insurance Company of Pittsburgh, PA.
Policy Term: 7/1/2020 - 7/1/2021

****Premium Quotation Pending****

Description of Covered Insureds: All *registered* volunteers, participants and students of the policyholder

Benefit Provided	Limit
Accidental Death:	\$25,000
Incurral Period:	365 Days
Accidental Dismemberment:	\$25,000
Incurral Period:	365 Days
Accidental Death & Dismemberment Aggregate Limit:	\$250,000 Per Accident
Accident Medical Expense (Primary):	\$25,000
Deductible:	\$25.00 per accident
Benefit Period:	52 Weeks
Incurral Period:	90 Days
Dental Maximum:	\$250 per tooth per accident
Catastrophe Cash Benefit:	\$50,000
Incurral Period:	30 Days
Waiting Period:	12 Consecutive Months



Fresno Economic Opportunities Commission

June 2, 2020

Commercial Property Coverages

Issuing Company: Great Lakes Insurance SE
Policy Term: 7/1/2020 - 7/1/2021

16641 Palmer Avenue, Huron

Subject of Insurance	Amount	Co-Ins	Deductible	Valuation
Building	\$160,000	80%	\$ 1,000	Replacement Cost
Business Personal Property	\$45,000	80%	\$ 1,000	Replacement Cost

595 Tuft Street, Mendota

Subject of Insurance	Amount	Co-Ins	Deductible	Valuation
Business Personal Property	\$40,000	80%	\$ 1,000	Replacement Cost

Standard ISO Vacancy Clause

- Tenants-when location does not contain enough business personal property to conduct customary operations
- Building owners-considered vacant unless 31% of *total* square feet is occupied AND is rented/used to conduct building operations

Cause of Loss	Property Vacant 60 days or less, loss paid (subject to all other policy terms and conditions)	Property vacant more than 60 days , loss paid (subject to all other policy terms and conditions)
Vandalism, Sprinkler leakage, Building glass breakage, Water damage, Theft or attempted theft	Full loss is paid	Nothing is paid
Any other covered Cause of Loss other than above	Full loss is paid	85% of loss is paid



Fresno Economic Opportunities Commission

June 2, 2020

Premium Summary

<u>Coverage Carrier</u>	<u>AM Best Rating</u>	<u>Admitted or Non-Admitted In California</u>	<u>Billing Method</u>	<u>Premium</u>
<u>Property</u> Nonprofits Insurance Alliance of California	AVIII	Admitted	Direct by Insurance Company	\$137,706
<u>Property – Palmer & Tuft</u> Great Lakes Insurance SE	A+XV	Non-Admitted	By HIB	\$1,017 Premium \$150 Intermediary Fee \$33 State Tax & Fee
<u>Crime Coverages</u> Hartford Fire Insurance Company	AXV	Admitted	By HIB	\$7,214
<u>Liability Coverages</u> Nonprofits Insurance Alliance of California	AVIII	Admitted	Direct by Insurance Company	\$48,412
<u>Automobile</u> Nonprofits Insurance Alliance of California	AVIII	Admitted	Direct by Insurance Company	\$299,636
<u>Umbrella Liability</u> Nonprofits Insurance Alliance of California	AVIII	Admitted	Direct by Insurance Company	\$90,447
<u>Directors & Officers/Employment Practices</u> Nonprofits Insurance Alliance of California	AVIII	Admitted	Direct by Insurance Company	\$88,824
<u>Medical Malpractice Liability</u> General Star Indemnity Insurance Company	A++XV	Non-Admitted	By HIB	\$11,125 Premium \$300 Intermediary Fee \$362 State Tax & Fee
<u>Accident Insurance</u> National Union Fire Ins. Co. of Pittsburg	A+XV	Admitted	By HIB	\$16,000 Estimated
<u>Cyber Insurance</u> Houston Casualty Company	NR	Non-Admitted	By HIB	\$8,640 Premium \$250 Intermediary Fee \$282 State Tax & Fee \$175 Company Fee
<i>Total Premium, Fees and Taxes:</i>				\$710,573



Fresno Economic Opportunities Commission

June 2, 2020

Premium/Exposure Comparison

Coverage	2020	2019	% Change
Property	\$137,706	\$135,198	2%
Property - Palmer & Tuft	\$1,200	\$1,265	-5%
General Liability	\$29,891	\$29,157	3%
Automobile	\$299,636	\$271,891	10%
Professional Liability	\$6,521	\$6,545	0%
Improper Sexual Conduct	\$12,000	\$12,000	0%
Directors & Officers/EPLI	\$88,824	\$87,002	2%
Umbrella	\$90,447	\$86,271	5%
Medical Malpractice	\$11,787	\$12,168	-3%
Crime	\$7,214	\$7,214	0%
Accident	*\$16,000	\$16,000	0%
Cyber Liability	\$9,347	\$9,347	0%
Totals:	\$710,573	\$674,058	5%
Total Values:	\$39,108,390	\$41,680,171	-6%
No. of Locations:	118	100	18%
No of Vehicles:	212	190	12%

*As of June 2, 2020, the Accident premium quotation is pending. We do not anticipate any changes in terms or conditions



Summary of Marketing

Property, Automobile and Liability (including Professional, Abuse, and Umbrella Liability)

Insurance Carrier	Results
NIAC	Incumbents – Quotations Presented \$576,201
Berkley Human Services	INDICATED \$600,000 with higher property and Auto PD deductibles
Philadelphia	INDICATION of \$650,000

Directors and Officers Liability

Insurance Carrier	Results
NIAC	Incumbent – Quotation Presented \$88,824
Philadelphia	Indication of \$125,000 with minimum of \$100,000 deductible for all coverages
RSUI	\$175,000 with a minimum deductible of \$100,000 with \$150K on EPLI

Medical Malpractice Liability

Insurance Carrier	Results
General Star Indemnity	Incumbent – Quotation Presented \$11,787
AIG	Premium indication of \$25,000
CNA	Premium indication of \$20,000

Accident Insurance

Insurance Carrier	Results
AIG	Incumbent – Premium Indication Presented \$16,000
ACE	Premium indication of \$20,000
Markel	Premium indication of \$18,000



Loss Summary

Property (In Excess of \$5,000 deductible)					
Policy Year	Open Claims	Closed Claims	Reserved	Paid	Total
2019	0	0	\$0	\$0	\$0
2018	0	6	\$0	\$32,088	\$32,088
2017	0	1	\$0	\$4,370	\$4,370
2016	0	2	\$0	\$191,394	\$191,394
2015	0	4	\$0	\$125,588	\$125,588

General Liability									
Policy Year	Open Claims	Closed Claims	Expenses			Loss			
			Reserved	Paid	Total	Reserved	Paid	Total	Grand Total
2019	1	0	\$0	\$0	\$0	\$5,000	\$0	\$5,000	\$5,000
2018	1	1	\$2,500	\$0	\$2,500	\$7,777	\$250	\$8,027	\$10,527
2017	0	3	\$0	\$376	\$376	\$0	\$4,766	\$4,766	\$5,142
2016	0	1	\$0	\$8,261	\$8,261	\$0	\$0	\$0	\$8,261
2015	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Automobile									
Policy Year	Open Claims	Closed Claims	Expenses			Loss			
			Reserved	Paid	Total	Reserved	Paid	Total	Grand Total
2019	11	25	\$3,768	\$12,716	\$16,484	\$55,934	\$58,032	\$113,966	\$130,450
2018	1	19	\$34,487	\$6,770	\$41,257	\$125,000	\$67,924	\$192,924	\$234,181
2017	2	25	\$2,007	\$18,588	\$20,595	\$100,000	\$158,231	\$258,231	\$278,826
2016	0	17	\$0	\$4,546	\$4,546	\$0	\$20,966	\$20,966	\$25,512
2015	0	26	\$0	\$2,637	\$2,637	\$0	\$82,813	\$82,813	\$85,450



Loss Summary

Directors & Officers Liability									
Policy Year	Open Claims	Closed Claims	Expenses			Loss			
			Reserved	Paid	Total	Reserved	Paid	Total	Grand Total
2019	1	0	\$15,000	\$0	\$15,000	\$10,000	\$0	\$10,000	\$25,000
2018	3	2	\$40,661	\$9,339	\$50,000	\$0	\$0	\$0	\$50,000
2017	0	1	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	1	4	\$6,470	\$25,264	\$31,734	\$10,000	\$49,000	\$59,000	\$90,734
2015	0	1	\$0	\$3,497	\$3,497	\$0	\$0	\$0	\$3,497





FINANCE COMMITTEE MEETING

Date: June 10, 2020	Program: Finance
Agenda Item #: 8	Officer: Rebecca Heinrich
Subject: Accounting Policies and Procedures Update	Officer: Salam Nalia

Recommended Action

Staff recommends for the full Board consideration the Committee's approval of the proposed changes to the Accounting Policies and Procedures for consideration by the full Board of Commissioners.

Background

Within the cycle of continuous improvement, Fresno EOC reviewing the existing Accounting Policies & Procedures for necessary updates. Additionally, Fresno EOC utilizes feedback received from routine audit and monitoring visits in identifying areas of enhancement. Such feedback was provided in monitoring performed by the United States Department of Agriculture pertaining to the utilization of Food Services for meal service to our internal programs. Additionally, in response to the monitoring report prepared by the US Department of Health and Human Services – Administration for Children and Families (ACF) Head Start, Fresno EOC hired an external auditor to assist with identifying opportunities to improve the Accounting Policies and Procedures. The following is a summary of changes recommended based upon the monitoring reports and the external auditors' suggestions.

Section III – Purchasing: Updates for Buy American, Code of Conduct, Surplus property procurement, contract termination clauses, RFP posting to website, and RFP bid opening documentation.

Section VI – Property, Plant, and Equipment: Added reference to SF-429B completion upon purchase of an asset with Federal Interest.

Section VIII – Cost Allocation: Updated facility cost pool language for semi-annual reconciliation of the budgeted and actual cost rate by square foot and updated cost allocation plan certification to current Chief Financial Officer.

Section X – Financial Reporting: Updated SF-429 procedure language to be inclusive of all applicable Federal awards, added review and approval of SF-429 prior to submission, and updated annual tax Form 990 extension language.

Additionally, the monitoring activities included throughout the Accounting Policies & Procedures manual, as well as within the Internal Audit Procedures, have now been

centrally located within a single guide, the Supplemental Monitoring Procedural Guide. This guide documents all of the procedures in place for fiscal monitoring of our programs.

Fiscal Impact

Regular updates to Accounting Policies and Procedures are required to ensure that changes in regulations, guidelines, and best practices are reflected. Approval of the policy updates will incorporate necessary changes to policies and procedures and will improve documentation of existing policies and procedures.

Conclusion

As recommended, the changes to the Accounting Policy & Procedures manual will bring improvements and provided documentation that will benefit future operations and monitoring results.



FINANCE OFFICE

ACCOUNTING POLICIES AND PROCEDURES MANUAL

April 26, 2017	Sections I and II
June 28, 2017	Sections III, V, VI, and IX
September 24, 2017	Sections VII, VIII, and X
October 25, 2017	Section IV
November 15, 2017	Section XI
September 26, 2018	Sections II and III
November 28, 2018	Section II
March 9, 2019	Sections V and VIII
August 26, 2019	Sections VI, VIII, and X
June 24, 2020	Sections III, VI, VIII, X

III. PURCHASING

General Policies and Procedures

Purpose

To establish uniform procedures applicable to all forms of purchases for the Agency which are in compliance with OMB 2 CFR Part 200 and other applicable federal statutes and grant requirements and that will support the Agency's credit worthiness.

Policy

Agency procedures must be followed in purchasing goods and services; however, additional requirements may be necessary to conform to contract provisions for specific funding sources. Each program's funding terms and conditions must be reviewed to ensure individual purchases are in compliance with the applicable funding source. Procedures related to purchasing, contracts, and all related forms of commitment must support ethical, responsible, and reasonable actions.

Competition

All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. To promote open and full competition, purchasers will:

- Be alert to any internal potential conflicts of interest.
- Be alert to any noncompetitive practices among contractors that may restrict, eliminate, or restrain trade.
- Not permit contractors who develop specifications, requirements, or proposals to bid on such procurements.
- Award contracts to bidders whose product or service is most advantageous in terms of price, quality, and other factors.
- Issue solicitations that clearly set forth all requirements to be evaluated.
- Reserve the right to reject any and all bids when it is in the Agency's best interest.
- Not give preference to state or local geographical areas unless such preference is mandated or permissible under Federal statute (2 CFR Part 200.319(b)).
- "Name brand or equivalent" description may be used as a means to define the performance of requirements (2 CFR Part 200.319(c)(1)).

Buy American Provision

When required, procurements will be made in compliance with Buy American Provision, such as per USDA Policy Memo SP38-2017. Solicitations and contract for purchasing domestic agricultural commodities and products shall include all pertinent requirements. As an example, "Fresno EOC is required to buy domestic commodities or products to the maximum extent practicable when using National School Lunch

[Program and School Breakfast Program funding. A ‘domestic commodity or product’ is defined as one that is either produced in the U.S. or is processed I the U.S. and contains over 51 percent of its agriculture food component by weight or volume from the U.S.”](#)

Affirmative Consideration of Minority, Small Business, Women-Owned Businesses, and Labor Surplus Area Firms

When possible, affirmative steps must be taken to assure that small businesses, women’s business enterprises, minority-owned firms, and labor surplus area firms are utilized to the fullest extent practicable (2 CFR Part 200.321). Such firms are to be included in all solicitation lists and are to be contacted when relevant solicitation opportunities arise. Consideration in the contract process shall be made as to if firms competing for larger contracts tend to subcontract with such firms. When economically feasible, total requirements should be divided into smaller tasks or quantities to permit maximum participation by small and minority-owned businesses, and women business enterprises. Additionally, consideration is to be made for contracting with a consortium of such firms when a contract is too large for one of these firms to handle individually. Service and assistance, as appropriate, of such organizations as the Small Business Administration and the Department of Commerce’s Minority Business Development Agency in the minority-owned firms and women’s business enterprises will be utilized.

[All RFPs shall be posted on the Fresno Economic Opportunities website to ensure that minority, small, women owned, and labor surplus area firms have access and opportunity to participate equally in the bidding process.](#)

Code of Conduct in Purchasing (2 CFR 200.318 (c)(1)) [and \(GC Section 87302\)](#)

Ethical conduct in managing purchasing activities is essential. No board member, officer, employee, or agent shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved. Conflict of interest may be financial (where an interested party benefits financially directly or indirectly) or non-financial (such as seeking preferential treatment or using confidential information). Such a conflict of interest would arise if a board member, officer, employee or agent, or any member of his/her immediate family, his or her spouse or partner, or an organization which employs or is about to employ one of these individuals, or a company where an employee or director either individually or in combination with his/her immediate family collectively possess a 35% or more ownership/beneficial interest has a financial or other interest in a firm considered for a procurement.

Employees/officers may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts with the exception of unsolicited items of nominal value of \$25 or less. [In no circumstance may the aggregate value of such unsolicited items exceed \\$300 per year.](#) Staff shall notify their immediate supervisor if they are offered such gifts. Failure to adhere to this policy may result in disciplinary action up to and including termination of services or employment.

Any person making an unauthorized purchase shall be personally and financially responsible for the total purchase. All purchases must be approved by the Chief Executive Officer or designated Officers, or designated staff approved by the Officers. The listing of individuals so authorized will be maintained within the Finance Office and is made available upon request.

Additional guidance regarding conflict of interest and the potential disciplinary actions are located within the "Personnel Policies and Procedures Manual" within sections 5060 "Code of Ethics and Business Conduct" and 7030 "Counseling and Corrective Action."

Procedures

- 1) Purchases of unnecessary or duplicative items must be avoided. (2 CFR 200.318(d))
- 2) All individuals with authority to approve purchases will receive a copy of this policy and be familiar with 2 CFR Part 200.400 – 475, Cost Principles, or the equivalent guidelines applicable to his/her purchases.
- 3) Where appropriate, an analysis shall be made of lease and purchase alternatives to determine which would be the most economical and practical procurement, including a documented cost and price analysis. This analysis should only be made when both lease and purchase alternatives are available to the program.
- 4) Purchasers are encouraged to enter into state and local inter-governmental or inter-entity agreements where appropriate for procurement of use of common or shared goods and services (2 CFR Part 200.318(e)).
- 5) Purchasers are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs. (2 CFR Part 200.318(f)).

The California Federal Surplus Personal Property Program (CFSP) (www.dgs.ca.gov) is responsible for obtaining federal surplus personal property for qualifying non-federal organizations within California for their business and operational needs. All property must be picked up directly from where the item is stored and is subject to service and handling charges. The property may be subject to restrictions. Program is only available to eligible programs as described at the following website: <http://www.dgs.ca.gov/ofam/Programs/StSurplus/CFSP/Eligibility.aspx>

[The following steps shall be followed when conducting surplus property procurement:](#)

- a) Determine the number and type of items needed.
- b) Estimate the date the items will be needed. Advance notice of 120 days is preferred but a minimum of 60 days of notice is required.
- c) Contact SPR Headquarters - Department of General Services - Office of Fleet and Asset Management:
1700 National Dr. Sacramento, CA 95834
Phone: (916) 928-5800
Fax: (916) 928-4644
Email: ContactSPR@dgs.ca.gov
- d) Log into the California Surplus Property System (CSPS) at <https://www.dgs.ca.gov/OFAM/Services/Page-Content/Office-of-Fleet-and-Asset-Management-Services-List-Folder/Reutilize-State-owned-Personal-Property#@ViewBag.JumpTo>
- e) Location and complete the CSPS application.
- f) Once a need and availability is identified SPR will work with the agency to set up viewing of items. State agencies, local government, school district and non-profit organization representatives viewing and sale days are Monday-Friday 8 a.m. to 3 p.m., excluding state holidays. Note: The SPR Warehouse is not open for public sales. The public is welcome to attend the public auctions held approximately every ten to twelve weeks. (This public option would not require application for priority consideration.)

6) Solicitations for goods and services shall provide for all of the following:

- a) A clear and accurate description of the technical requirements for the material, product, or service to be procured. In competitive procurement, such a description shall not contain features, which unduly restrict competition.
- b) Requirements which the bidder must fulfill and all other factors to be used in evaluating bids or proposals.
- c) The specific features of “brand name or equal” descriptions that bidders are required to meet when such items are included in the solicitation.
- d) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measure.
- e) Preference, to the extent practicable and economically feasible, for products that conserve natural resources, protect the environment, and are energy efficient.
- f) Contractors who develop or draft specifications, requirements, statement of work, and invitations for bids or requests for proposals must be excluded from competing for such procurements.

7) Purchases, contracts for equipment, materials, supplies or services, including

professional or technical services (for legal services, see III – 16 for additional requirements), shall be made in the following manner:

Amount of Purchase	Required Solicitation	Required Documentation
< \$5,000 (or < \$2,000 if Davis Bacon applies)	Purchases and contracts shall be made in the open market, after such inquiry as is necessary to ensure that the price is reasonable	<ul style="list-style-type: none"> • Documentation of proper approval of purchase
\$5,000 - \$9,999 (or \$2,000 - \$9,999 is Davis Bacon applies)	3 oral cost quotations	<ul style="list-style-type: none"> • Tabulation of the oral solicitations made and responses received, including the price or rate quotation (see Appendix IV for suggested format) • Reasoning for how decision was made
\$10,000 - \$74,999	3 written cost quotations	<ul style="list-style-type: none"> • Written cost quotations from at least 3 suppliers (see Appendix V for summary form) • Reasoning for how decision was made • Technical specifications are required to be clearly stated
\$75,000 - \$149,999	3 written cost quotations	<ul style="list-style-type: none"> • Written cost quotations from at least 3 suppliers (see Appendix V for summary form) • Reasoning for how decision was made • Technical specifications are required to be clearly stated
> \$150,000	Formal bid process must be utilized	<ul style="list-style-type: none"> • See Formal Bid Procedures

- a) The OMB has established the micro-purchase threshold at \$10,000 and the simplified acquisition threshold at \$250,000. Micro-purchase means a purchase of supplies or services using simplified acquisition procedures, the aggregate amount of which does not exceed the micro-purchase threshold. (2 CFR Part 200.67) Simplified acquisition threshold means the dollar amount which a non-Federal entity may purchase property or services using small purchase methods in order to expedite the purchase of items costing less than the threshold. (2 CFR 200.88). The thresholds in the above table were established with consideration of the OMB thresholds along with common requirements within existing grant terms and conditions. Purchases must be distributed equitably among qualified suppliers. If the procurement is subject to the Davis-

Bacon Act, then the amount is adjusted to not exceed \$2,000. (2 CFR Part 200.320(a))

- b) For purchases and contracts of \$150,000 or more, the Chief Executive Officer will purchase from or award contracts to the qualified bidders upon approval by the Agency's Board following completion of the appropriate Formal Bid process. Purchases in excess of \$150,000 are defined as "significant expenditures."
 - c) All contracts involving consulting services must be approved by the Chief Executive Officer or designated Officer. Additionally, the Board of Commissioners must approve any consulting services contract at or above \$150,000.
- 8) When prequalified lists of persons, firms, or products are used in acquiring goods and services, those lists must be kept current and include sufficient qualified sources to ensure maximum open and free competition. (2 CFR Part 200.319(d))
- 9) When awarding contracts to responsible contractors, factors such as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources will be evaluated to ensure the contractor possess the ability to comply with the terms and conditions of the procurement.
- 10) In accordance with 2 CFR 200, Appendix II, any contract in excess of \$10,000 must include termination for cause and convenience.
- ~~10~~11) A contract must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with OMB 2 CFR 180.
- ~~11~~12) Documentation detailing the history of each procurement is to be submitted as support for the payments being issued, which includes items such as: the rationale for method of procurement, selection of contract type, contractor selection or rejection, and the basis of the contract price. (2 CFR Part 200.318(i))
- ~~12~~13) Procurement files will be made available for inspection upon request by an awarding agency.
- ~~13~~14) Lack of competition for purchases and contracts is permissible only under certain circumstances as stated in the Noncompetitive Procurement procedures. (See Noncompetitive Procurement)
- ~~14~~15) Competitive negotiations may be used for procurement of professional and/or technical services when exact specifications are not defined and the Agency

desires the supplier to provide a proposal to furnish an item that meets a general requirement, subject to negotiation of fair and reasonable compensation

~~15)~~16) Petty cash fund transactions should be limited to purchases under \$50 and for items of a non-routine nature. The replenishment of a petty cash fund must be in accordance with Agency procedures and approved by the Program Director or Program Manager. (See Petty Cash policy at II - Cash Management)

~~16)~~17) In the procurement of legal services, approval from the Board of Commissioners or Chief Executive Officer on the selection of outside counsel (attorney) is required.

~~17)~~18) Vendor performance surveys will be utilized either periodically, or upon contract completion, as applicable, to document that satisfaction with contractor conformance with the terms, conditions, and specifications of the contracts occur.

~~18)~~19) For construction or facility improvement contracts or subcontracts in excess of \$150,000, bonds will be secured from the vendors to adequately protect any Federal interest (2 CFR Part 200.325). Bonding requirements may include:

- a. A bid guarantee from each bidder equivalent to five percent of the bid price to assure that if awarded and accepted, that the bidder will execute (sign) the contract within the time specified.
- b. A performance bond on the part of the contractor for 100 percent of the contract price to secure the fulfillment of all the contractor's obligations.
- c. A payment bond on the part of the contractor for 100 percent of the contract price to assure payment of all persons supplying labor and material in the execution of work provided for in the contract.

Approved Vendor List

Purpose

To enhance efficiency within the procurement process for commonly purchased items, such as supplies, approved vendor lists may be developed for use.

Procedures

- 1) Develop a list of similar, commonly-purchased items that can be acquired from a single vendor.
- 2) Determine the desired period for the approved vendor list to be in effect taking into consideration the frequency of price fluctuations, and changes in available vendors for the commonly purchased items. Generally, the period would be for one year.
- 3) Get cost estimates for the list in total, not for each item. Include shipping costs, if necessary. The list should be inclusive of the most frequently ordered items as well as the items with higher unit prices.
- 4) Follow the bid procedures appropriate for the expected level of spending for the effective period of the approved vendor list, generally one year, to get bids (such as: 3 written bids or a Formal Bid process).
- 5) Compare the quotes.
- 6) The vendors with lowest prices, including shipping, will be approved for use during the designated period.
- 7) This process could result in multiple approved vendors if the prices are within 5% of each other.
- 8) Documentation of the process as well as the quotes received will be forwarded to Accounts Payable for retention and communication throughout the Agency.
- 9) This process will be repeated once the designated effective term has concluded. Potential bidders may not be precluded from qualifying during the solicitation period.

Purchase Order Procedures and Processing

Purpose

To establish uniform procedures for processing purchase orders.

Policy

In an effort to control processing costs and to obtain the most favorable pricing, smaller purchases should be combined when feasible. The goal is to limit, when possible, processing checks for individual purchases under \$50. Purchase orders are not utilized for travel which require the preparation of a separate form (See V - Agency Travel).

Procedures

- 1) A purchase order will be completed to authorize the purchase of supplies or services in excess of \$50. A purchase order is not required for recurring items such as utilities, water, rent, or other contractual payments. (See sample P.O. at Appendix VI).
- 2) Only approved personnel may sign purchase orders in accordance with limitations, as approved by the Chief Executive Officer or other Officer. Multiple purchase orders will not be allowed for the same items as a means to avoid obtaining required authorization.
- 3) The source of funding for the purchase must be clearly identified with verification that the funds are available in the program budget.
- 4) The purchase order must be completed in full to include the following information:
 - a) Date, name, and address of the vendor or contractor.
 - b) The applicable program issuing the purchase order and the location where items will be shipped.
 - c) General ledger account coding to charge the purchase.
 - d) Description of the purchase, quantity, etc.
 - e) Amount of the purchase and applicable terms and any special conditions.
 - f) Authorized signature of Agency personnel.
 - g) Date purchase order was prepared.

- 5) Distribution of the Purchase Order form:
 - a) White Copy - Given to the vendor.
 - b) Yellow Copy - Forwarded to Accounts Payable.
 - c) Pink Copy - Retained by issuer.
- 6) Only properly authorized and completed purchases will be set up for payment within the Agency authorized accounts payable disbursement schedule.
- 7) Blanket purchase orders can be established at the start of the fiscal year to authorize purchases from a vendor up to a set amount, thereby eliminating the need for monthly purchase orders for standard purchases.
- 8) The results of obtaining competitive bids must be included with the completed yellow copy of the purchase order form. The memorandum should summarize the results, including: the vendor name, date the price was quoted, costs provided, and the reason for awarding the bid to the vendor selected. Supporting bid documentation as required by the Agency's purchasing policies, and/or funding source, must also be attached.
- 9) See II - Cash Disbursements/Accounts Payable for procedures required to begin procurements from a new vendor.
- 10) Purchase orders shall be pre-numbered, kept in a secure area in the Executive Office, and issued in sequential batches to a designated program for utilization by authorized purchasers within that program. A log is maintained to track which programs have been provided which purchase order numbers.

Formal Bid Procedures

Purpose

To provide guidelines to be followed when formal bids are required. Formal bids are to be handled in accordance with Agency policies and applicable purchasing regulations for all procurements in excess of \$150,000.

This procurement process is necessary to ensure technical provisions, regulatory requirements, and competitive pricing is obtained when soliciting requests for formal bids. Formal bids are completed using either a Procurement by Sealed Bids (Formal Advertising) or a Procurement by Competitive Proposals, depending on the procurement type.

A cost or price analysis is required within every formal bid, which will vary by each procurement situation. An independent estimate of cost/pricing is to be made prior to receiving bids or proposals so that the reasonableness of those bids and proposals can be assessed. Profit is to be negotiated as a separate element of the price for each contract. Consideration must be given to the complexity of work being performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of past performance, and standard profit rates for similar work in the same industry and geographical area.

Due to the time involved to complete the formal bid process, programs are requested to make their purchase requests a minimum of ninety (90) days in advance.

[All RFPs shall be posted on the Fresno Economic Opportunities website to ensure that minority, small, women owned, and labor surplus area firms have access and opportunity to participate equally in the bidding process.](#)

Any bidder may file a grievance following a competitive bidding process. Once a selection is made, bidders must be notified in writing of the results. The written communication sent to bidders must also inform them that they may have a right to appeal the decision. Information on the appeal process must be made available to all prospective contractors upon request, including the name and address of a contact person, and a deadline for filing the grievance. Grievances are limited to violations of federal laws or regulations, or failure of the Agency to follow the procurement policies in this manual.

Procedures

Procurement by Sealed Bids (Formal Advertising):

- 1) This formal bid process is generally used when procuring construction but is considered feasible for use when:

- a) A complete, adequate, and realistic specification or purchase description is available and is documented within a bid specification worksheet completed by the program.
 - b) Two or more responsible bidders are willing and able to compete.
 - c) Procurement is made for a firm, fixed price and vendor selection can be made based on pricing.
- 2) The requirements for a Sealed Bid are:
- a) An “Invitation to Bid” will be drafted to include any specifications and attachments required to define the item(s) or service(s) in order for the bidder to properly respond, and will note the date, time, and location for when the bids will be publically opened. The invitation to bid will include all requirements which the bidder must fulfill and all other factors to be used in evaluating the bids or proposals. Technical requirements for functions to be performed, including the range of acceptable characteristics or minimum acceptable standards, is to be included. The format in which proposals are to be submitted, the submission deadline and the person to whom the proposals should be sent need to be clearly stated within the Invitation to Bid.
 - b) The “Invitation to Bid” is submitted to the Chief Executive Officer, or designated Officer, for approval and review of the procurement timeline.
 - c) Each “Invitation to Bid” will be publically advertised and bids must be solicited from an adequate number of known suppliers, providing them with sufficient response time. A full copy of the “Invitation to Bid” will be provided to anyone responding to this public notice.
 - d) If a pre-bidders conference is to be held to provide technical aspects of the procurement, the meeting details must be included in the public notice.
 - e) All bids will be date and time stamped as they are received and will be stored in a secure location.
 - f) All bids will be publicly opened at the time and place stated within the “Invitation to Bid.” [A record of the date and time of the bid opening along with the persons in attendance and their affiliation, the bids received and any rejected bids shall be generated and retained.](#)
 - g) A firm, fixed price contract award will be made in writing to the lowest responsive and responsible bidder, following approval by the Board. If specified in the “Invitation to Bid,” items such as discounts,

transportation/shipping, and life cycle costs may be factored into the determination of the lowest price.

- h) Any, or all, bids may be rejected if there is a sound documented reason.
- 3) A purchase order, services contract, or notice to proceed (construction projects) will be prepared and completed in accordance with Agency policies and procedures.
- 4) No disbursements will be processed until the purchase order or contract is executed and the formal bid process is completed.

Procurement by Competitive Proposal:

- 1) Procurement by Competitive Proposal is generally used when the use of sealed bids is not considered to be feasible. Competitive Proposals involve more than one source submitting an offer and either a fixed price or a cost-reimbursement type contract may be awarded.
- 2) The requirements of a Competitive Proposal are:
 - a) Request for Proposals (RFP) are to identify all factors on which the proposals will be evaluated and the weighting of each factor. Technical requirements for functions to be performed, including the range of acceptable characteristics or minimum acceptable standards, is to be included. The format in which proposals are to be submitted, the submission deadline, and the person to whom the proposals should be sent need to be clearly stated within the RFP.
 - b) The factors which are to be used to evaluate the RFPs using a weighted scale may consider some, or all, of the following criteria:
 - Adequacy of the proposed methodology
 - Skill and experience of key personnel
 - Demonstrated experience
 - Other technical specifications designated by the program requesting proposals
 - Compliance with administrative requirements of the request for proposal (format, due date, etc.)
 - Contractor's financial stability
 - Contractor's demonstrated commitment to the nonprofit sector
 - Results of communications with references supplied by vendor
 - Ability/commitment to meeting time deadlines

- Cost
- Minority- or women-owned business status of vendor
- Other criteria (to be specified by the program requesting proposal)

Not all of the preceding criteria may apply in each purchasing scenario. However, the program responsible for the purchase shall establish the relative importance of the appropriate criteria prior to requesting proposals and shall evaluate each proposal on the basis of the criteria and weighting that have been determined.

- c) The RFP is submitted to the Chief Executive Officer, or designated Officer, for approval and review of the procurement timeline.
 - d) Notice of the Request for Proposals (RFP) must be publicized and proposals must be solicited from an adequate number of qualified sources.
 - e) A full copy of the RFP is to be made available in response to a request from a potential bidder.
 - f) If a pre-bidders conference is to be held to provide technical aspects of the procurement, the meeting details must be included in the RFP.
 - g) The date and time of receipt of each proposal will be appropriately documented.
 - h) A ranking panel, with sufficient knowledge of the technical areas within the RFP, will be assembled to complete the evaluation of the RFP, in accordance with the evaluation criteria established in the RFP which may include the evaluation of the proposal submission as well as an interview of the bidder's representatives. The ranking panel will include a combination of employees, Commissioners, community representatives, and independent technical experts, as deemed appropriate.
- 3) Award of a Competitive Proposal is to be made to the responsible firm whose proposal is most advantageous to the program with price and other factors as identified in the Request for Proposal considered. The recommendation of the ranking panel will be forwarded to the Chief Executive Officer, or designee, for approval to forward the recommendation to the Board for approval.
 - 4) Following the approval of the Board, all bidders will be notified that the procurement decision has been made either favorably or unfavorably to them.
 - 5) A contract, or purchase order, is to be executed with the awarded bidder in

accordance with Agency policies and procedures. No disbursements will be issued until the contract or purchase order has been finalized and submitted to Accounts Payable.

- 6) Competitive Proposals may be utilized for qualifications-based procurement of architectural/engineering professional services where the qualifications of the bidders are evaluated. This method, where price is not evaluated, can only be used in procurement of architectural/engineering services. Funding source requirements should be reviewed to ensure the permissible use of this method prior to implementation.

Noncompetitive Procurement

Purpose

To provide guidance for special purchasing circumstances, in which competitive bids are not obtained. Noncompetitive procurement (purchases and contracts) are only permissible in the following circumstances (2 CFR 200.320 (f)):

- An emergency exists that does not permit delay,
- Only one source of supply is available,
- If the awarding agency expressly authorizes noncompetitive proposals in response to a written request from the Agency,
- Or after solicitation of a number of sources, competition is determined to be inadequate.

The key requirement for the use of noncompetitive procurement is that the other methods of procurement are not feasible and one of the above circumstances exists. Applicable funding terms and conditions must be reviewed to determine if approval from the funding agency is required regardless of which of the above circumstances apply.

Procedures

- 1) If a public exigency or emergency exists which does not permit any delays for reasons, such as the possibility of loss of life or destruction of property, then a report will be prepared summarizing the situation and the action taken. After the Agency's immediate needs have been provided for, then one of the competitive procurement methods should be used for any of the Agency's related long-term/ongoing needs.
- 2) When an award is made without competition, the following procedure will be followed:
 - a) A statement detailing the unique nature of the purchase request and the justification for requesting a noncompetitive contract with a cost analysis attached.
 - b) A recommendation will be made by the Officer to the Chief Executive Officer to dispense with the competitive bidding requirement and purchase the requested goods or services on a noncompetitive basis.
 - c) Consideration must be given to the complexity of work being performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of past performance, and standard profit rates for similar work in the same industry and geographical area. Profit must be negotiated as a separate element of the price for each

- noncompetitive contract, as there is no price competition.
- d) Purchases up to \$150,000 will be approved by the Chief Executive Officer and the Board must approve purchases of \$150,000 and over, unless an emergency exists. Upon approval, the Officer, or designee, will notify the vendor of the intent to award the contract.
 - e) The above purchasing documentation will be then filed with the yellow copy of the purchase order form.
- 3) Each program will maintain a file for each noncompetitive procurement, which describes the specific circumstances supporting the use of this method and the results of any negotiations with the vendor that will be shared with Accounts Payable.
 - 4) All noncompetitive procurements will be included in a report listing such award(s) to the Finance Committee of the Agency's Board of Commissioners. The report will include a certification or statement justifying the lack of competition.

VI. PROPERTY, PLANT AND EQUIPMENT

Acquisitions

Purpose

To accurately record fixed asset additions and safeguard assets from loss.

Policy

All property acquisitions shall follow Agency Purchasing Procedures (See III - Purchasing). Purchases of grantee owned assets are to be made in accordance with the program budget and grant requirements of the funding source. [As required by Federal funder, Form SF-429B will be completed to capture the Federal Interest in the property. See section X Financial Reporting for further information on SF-429.](#)

“Equipment” is defined as all tangible, non-expendable personal property (including information technology systems) with a useful life of one year or longer and an acquisition cost of \$5,000 or more per unit (2 CFR 200.33). The unit cost includes taxes, freight and installation charges and any modifications, attachments or accessories necessary to make the equipment usable for the purpose for which it was acquired.

For inventory tracking purposes, all equipment items with a unit cost of \$1,000 or more will be inventoried and included in Agency fixed asset records. Equipment with a unit cost of \$1,000 to \$4,999 will be recorded in the fixed asset system as non-depreciable equipment. When required for compliance with grant awards, equipment with a cost less than \$1,000 will be tracked in the same manner.

Donated fixed assets from third parties are to be valued at the current fair market value at the time of donation. Contributed assets valued at \$5,000 or more per unit shall be capitalized and depreciated accordingly. However, donated assets which are counted as match may not also be depreciated to a funding stream for reimbursement (2 CFR 200.436(c)).

Buildings

When a building is acquired, it may be capitalized as either the entire building (including the building shell and all its components) and depreciated over a single useful life or the building may be divided into multiple components such as: building shell (including construction and design costs, as applicable), building services systems (such as elevators, HVAC, and plumbing system), and fixed equipment (such as fume hoods, cold rooms, glassware/washers). (2 CFR 200.436(d)(3)).

Software Acquisition

Certain costs incurred in connection with the acquisition of internal-use software shall be capitalized and reported as an asset of the Agency. The costs that shall be capitalized are those that are in excess of \$4,999 and that meet any one of the

following criteria:

- External direct costs (i.e. amounts paid to vendors) of materials and services in obtaining internal-use software;
- Costs associated with upgrades and enhancements when it is probable that these expenditures will result in additional functionality.

Many costs associated with acquiring internal-use software are to be expensed as incurred, rather than capitalized including:

- External and internal costs incurred in the preliminary project phases;
- Research and development costs;
- General and administrative costs;
- Data conversion;
- Training costs; and
- Internal maintenance costs.

Procedures

- 1) The appropriate program staff will promptly notify the Finance Office upon purchase of any asset with a unit cost of \$1,000 or more using the Asset Acquisition Form (Appendix XV). [If required, the completed SF-429B form will also be provided.](#)
- 2) Additionally, the Accountant responsible for fixed assets reviews the Cash Disbursement Journal report following each check or electronic funds transfer (EFT) run for disbursements in excess of \$1,000 to identify potential fixed assets items that are to be captured in the system.
- 3) As required by the applicable funding agency, property tags are acquired and forwarded to the program. The program staff will affix the tag to the property.
- 4) The Accountant will record the purchase in the fixed asset module including any assigned tag number.
- 5) Internal Audit will reconcile the fixed asset inventory listing to the general ledger property accounts at least semi-annually.
- 6) When asset acquisitions are posted from the Fixed Asset module to the General Ledger, the "Asset Acquisition and Depreciation Monitoring Checklist" will be completed.
- 7) Adequate maintenance procedures to keep property in good condition are to be implemented by the program staff.

Recordkeeping and Inventory

Purpose

To accurately record fixed asset acquisitions, transfers, and dispositions.

Policy

Equipment records shall be maintained accurately and shall include the following information in accordance with 2 CFR 200.313(d)(1):

- A description of the property;
- Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number;
- Source of the funding for the property, including the grant award or contract number;
- Whether title vests in the recipient or the Federal Government or other entity;
- Acquisition date (or date received, if the equipment was furnished by the Federal Government);
- Unit acquisition cost;
- Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government);
- Location, use, and condition of the equipment and the date the information was reported;
- Ultimate disposition data, including date of disposal and sale price or the method used to determine current fair market value where a recipient compensates the Federal awarding agency for its share.

Equipment owned by the Federal Government shall be identified to indicate Federal ownership. Equipment provided to subcontractors with Federal funds shall also be identified and tracked, as described above.

A physical inventory of equipment shall be taken by Internal Audit and the results reconciled with the equipment records in the fixed assets module at least once every two years. Inventories may utilize statistical sampling techniques. 2 CFR 200.436(e). Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the cause of the difference.

Any loss, damage, or theft of equipment shall be investigated and fully documented; where equipment is owned by the Federal Government, the recipient shall promptly notify the Federal awarding agency.

Adequate maintenance procedures shall be implemented by the program to keep the equipment in good condition.

Repairs of Property, Plant and Equipment

Expenditures to repair capitalized assets shall be expensed as incurred if the repairs do not materially add to the value of the property or materially prolong the estimated useful life of the property. Expenditures to repair capitalized assets shall be capitalized if the repairs increase the value of the property, prolong its estimated useful life, or adapt it to a new or different use. Such capitalized repair costs shall be depreciated over the remaining useful life of the property. If repairs significantly extend the estimated useful life of the property, the original cost of the property shall also be depreciated over its new, extended useful life.

Procedures

- 1) The Accountant responsible for fixed assets will record required property information in the fixed asset module.
- 2) Internal Audit will conduct biennial inventories at various program sites in accordance with 2 CFR 200.313(d)(2).
- 3) If a funding source requires an inventory of all grantee owned assets regardless of acquisition cost, these assets will be included in the inventory.
- 4) Lost, destroyed, or transferred equipment will be reported with authorized approval from the program using the Asset Transfer Form (Appendix XVI) to the Accountant for entry into the fixed asset module and preparation of required journal entries. Disposal of an asset will also be reported with authorized approval from the program using the Asset Disposition Form (Appendix XVII) to the Accountant and noted in the fixed asset file to facilitate appropriate document retention.
- 5) Theft of Agency or grantee owned assets should be immediately reported to the Accountant responsible for fixed assets. An insurance claim, if appropriate, should be filed with the property insurance carrier. Additionally, the Accountant and the Agency's third-party insurance broker should be informed of such claim. If asset is not located, the property will be written off the books with proper notation specifying the reason.
- 6) If equipment has become obsolete or is no longer in use, the program will notify the Accountant responsible for fixed assets and follow Agency or funding source disposal guidelines for disposition, so that it may be accurately reflected in the Fixed Asset module. The Financial Officer must approve the write-off of all capitalized fixed assets that may be worn-out or obsolete.

Depreciation

Purpose

To record depreciation of assets in accordance with Accounting Procedures Generally Accepted in the United States (GAAP).in a timely manner that allocates the cost of the asset to the period benefiting from asset use.

Policy

Depreciation of fixed assets shall be in accordance with 2 CFR 200.436 and 45 CFR 75.436 (for Head Start), as well as with any additional, applicable funding terms and conditions.

Property and equipment purchased with grant funds are recorded as expenditures in the year of acquisition in accordance with grant requirements. However, for the Agency's financial statements, they are also capitalized and all such assets, except land, are depreciated using the straight-line method over its useful life. Depreciation methods, once used, may not be changed unless approved by the cognizant agency. The depreciation of these assets is charged against grant-funded assets in the Statement of Activities. These transactions will be reviewed at the time of the Agency's consolidated audit for proper presentation and disclosure within the financial statements.

Property and equipment purchased with other Agency funds are capitalized at cost and depreciated over the useful life of the asset using the straight-line method. Depreciation is charged against operations.

No depreciation is allowed on any assets that have outlived their depreciable lives. 2 CFR 200.436(d)(4).

Procedures

- 1) Each new capital asset will be properly classified according to the type of asset and useful life. Useful life determination shall consider items such as: the type of construction, nature of the equipment, technological developments, and historical usage data. The estimated useful lives for the various Agency assets are as follows:

Type of Asset	Estimated Useful Life
Buildings	20 – 30 years
Improvements	7 – 15 years
Furniture and Fixtures	5 – 10 years
Equipment	3 – 10 years
Vehicles	5 years
Computer – Hardware	3 – 5 years
Computer – Software	2 – 3 years

- 2) Depreciation is calculated and posted on a monthly basis by running the Pre-Calculation Depreciation Report in the fixed asset module in Financial Edge.
- 3) After reviewing the Pre-Calculation report to ensure Depreciation generated properly, either the Financial Officer or Assistant Finance Director will generate the expense and post it to the General Ledger.
- 4) The “Asset Acquisition and Depreciation Monitoring Checklist” will be completed and kept on file to document the review and posting of the depreciation.

Disposal of Property, Plant and Equipment

Purpose

To ensure that assets no longer in use will be disposed of in accordance with Agency and/or funding source policies.

Policy

The disposition of fixed assets shall be in accordance with 2 CFR 200.311 and 200.313, and with any applicable funding terms and conditions. Guidance from these sections follow:

- Real property 2 CFR 200.311:
 - Title to real property shall vest in the Agency subject to the condition that the Agency shall use the real property for the authorized purpose of the project as long as it is needed and shall not encumber the property without approval of the Federal awarding agency. (2 CFR 200.311(a) and 200.311(b))
 - May be used in other federally funded projects when it is no longer needed for the purpose of the original project when the use will be consistent with those originally authorized, upon receipt of written approval from the Federal awarding agency. (2 CFR 215.32 (b))
 - If no longer needed for the original or any similar purpose, then disposition instructions must be requested from the Federal awarding agency, or pass-through entity, which may opt to:
 - Allow title to vest in the Agency once payment of the proportionate share of the current fair market value of the property is paid to the Federal government or successor agency. If replacement real property is to be acquired, then the net proceeds from disposition may be used to offset the cost of the replacement property. (2 CFR 300.311 (c)(1))
 - Allow the property to be sold with payment of the proportionate share of the proceeds, less any expenses incurred to sell or fix the property, to be made to the Federal government or successor agency. Sales are to be made to support competition to the greatest extent possible and to achieve the highest possible return. (2 CFR 200.311 (c)(2))
 - Transfer title to the Federal government or eligible third party. Compensation for the Agency's proportionate share of the current fair market value shall be made. (2 CFR 200.311 (c)(3))
- Equipment with per unit fair market value of \$5,000 or more:
 - If the grantee has another use for the property, the grantee may retain the property if they compensate the Federal government for its share of the current fair market value. Priority is to be given to projects funded by the same Federal agency that funded the original project, followed by

- projects funded by other Federal agencies. (2 CFR 200.313 (c)(1))
 - If the grantee does not have a need for the property, the grantee shall request instructions from the federal or state agency as to the disposition of the property.
 - If the property is to be sold, the grantee may keep \$500 or 10% of the proceeds, whichever is less, for the grantee's selling and handling expenses. The grantee must compensate the Federal government for its share of the remaining portion of the proceeds of the sale. (2 CFR 215.34 (d)(1))
 - Title may be transferred to the Federal government or to an eligible third party provided. Compensation for the Agency's share of the current fair market value is to be obtained.
- Equipment with a current per unit fair market value, or residual supplies with an aggregate value, of less than \$5,000:
 - Equipment may be retained, sold, or otherwise disposed with no further obligation to the Federal awarding agency. (2 CFR 200-313(c)(5)(e)(1))

If a funding source requires prior approval for the sale or disposal of an asset, regardless of value, written approval shall be obtained by the appropriate program staff in accordance with contract guidelines.

Procedures

- 1) Appropriate program staff will notify the funding source of the need to dispose of an asset (if prior approval is required).
- 2) After written authorization is obtained, the asset shall be scrapped or donated (if of little or no value) or sold, using sales procedures which provide for competition to the greatest extent practicable and result in the highest possible return.
- 3) Program will notify the Accountant responsible for fixed assets of disposition of asset using the Asset Disposition Form so that disposition data may be recorded in the fixed asset inventory system and note the date in the fixed asset records.
- 4) Any gain or loss on the disposal of the asset will be recorded through a journal entry based on the difference between the net book value of the asset and any sales proceeds. If applicable, any gain on disposal will be reported as program income to the funding source.

VIII. COST ALLOCATION

Purpose

To ensure all costs incurred in federal and other grants are allowable, reasonable, and allocable either directly or indirectly.

Policy

Program staff involved with procurements, as well as accounting personnel, shall be sufficiently familiar with 2 CFR Part 200.400 – 475, Cost Principles, as to determine that a cost is allowable prior to the cost being charged directly to a grant. They shall also be aware of any restrictions on allowable costs within the funding guidelines for their programs, including knowledge of which costs require advance approval from funding agencies in order to be allowable.

All items of miscellaneous income or credits, including the subsequent write-offs of uncashed checks, rebates, refunds, and similar items, shall be reflected as reductions in allowable expenditures if the credit relates to charges that were originally charged to a federal award or to activity associated with a federal award. The reduction in expenditures shall be reflected in the year in which the credit is received (i.e., if the purchase that results in the credit took place in a prior period, the prior period shall not be amended for the credit).

Allowable costs charged to federal and other grants will meet the following requirements:

- Be reasonable for the performance of the award;
- Conform to any limitations or exclusions under 2 CFR Part 200 Subpart E Cost Principles as well as with any restrictions found within the funding guidelines;
- Be consistent with policies and procedures that apply uniformly to both federally financed and other Agency programs;
- Be accorded consistent treatment;
- Be determined in accordance with accounting principles generally accepted in the United States of America (GAAP);
- Be adequately documented; and
- Not be included as a cost or used to meet cost sharing or matching requirements of any other federally financed program in either the current or prior period (applicable only to federal funds) unless exempted.

Reasonable costs are those which do not exceed, in either nature or amount, those that would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost (2 CFR 200.414).

This determination shall include an evaluation of the following factors:

- Ordinary and necessary for the operation and performance of the grant (2 CFR 200.414(a));
- Compliance with sound business practices, arms-length bargaining, Federal, state and other laws and regulations, and the terms and conditions of the grant award (2 CFR 200.414(b));
- Market prices for comparable goods or services for the geographic area (2 CFR 200.414(c));
- Incurred by an individual acting with prudence concerning their responsibility to the Agency, employees, clients, public at large, and applicable funding agency (2 CFR 200.414(d)); and
- Avoidance of unusual practices that would unjustifiably increase the cost. (2 CFR 200.414(e))

Allocable costs are those which provide a direct benefit to the grant, contract, or program to which it is charged in proportion to the benefit received (2 CFR 200.405(a)). Allocable costs must be treated consistently with other costs incurred for the same purpose and must meet one of the following criteria:

- Incurred specifically for that program (2 CFR 200.405(a)(1));
- Benefit both that specific program and other programs but the cost can be distributed in proportion to the benefits received using a reasonable method (2 CFR 200.405(a)(2)); or
- Be necessary to the overall operation of the Agency and is assignable in part to the award in accordance with the principles of 2 CFR 200. (2 CFR 200.405(c))

Procedures

Direct Cost Allocation:

Direct costs are those which are incurred to achieve a particular cost objective that can be linked to a particular funding award, program, service, or initiative, or that can be directly assigned to such activities relatively easily with a high degree of accuracy (2 CFR Part 200.413(a)). When a cost benefits a single cost objective for a program, the cost is charged exclusively to that grant award or program. If a cost benefits two or more programs in proportions that can be determined without undue effort or cost, the cost should be allocated to the programs based on the proportional benefit (2 CFR 200.405(d)).

- 1) Costs are allocated to a program or cost objective by using the appropriate 5-digit project code for that program within the accounting system.
- 2) Each Program Accountant is assigned a number of programs for which he/she is responsible. The Program Accountant plays an active role in preparation of the program budget.

- 3) The Accountants, in conjunction with program staff, review each budget and grant/contract for his/her assigned programs to ensure that costs charged are allowable and in accordance with grant requirements. General ledger detail reports are reviewed for each program to ensure that all costs are properly allocated and classified (coded) within the program and account structure. Additionally, the Program Accountants review the salary and benefits charged to each grant during preparation of monthly program invoices and variance reports to ensure that payroll costs allocated to each grant are appropriate and authorized.
- 4) Program personnel and Program Accountants shall be familiar with the allowability of cost provisions 2 CFR Uniform Administrative Requirements Cost Principles and attend specific program training when possible.
- 5) Program Accountants prepare a monthly variance report for each program, which provides a comparison of actual versus budgeted revenues and expenses. The Financial Officer, Assistant Finance Director and/or Accounting Supervisor review monthly progress reports generated. Any significant variances between actual and budgeted revenues or expenses are investigated by the Program Accountant to ensure the costs and any allocations are allowable, reasonable, and allocable. Narrative reports are developed for the progress reports that are shared with the Program Managers and their supervisor(s).

Cost Allocation Methodology:

The methodology of the direct cost allocations will vary based on a program's operations and any specific requirements of the grant funder. For instance, Head Start cost allocation will be in alignment with 45 CFR 75.413. A cost allocation specific to the Head Start / Early Head Start / State funded program has also been developed and is kept on file within the Finance Office. Examples of direct cost allocation methodology utilized include, but are not limited to:

- Personnel: Staff time allocations vary between programs / grants based on the structure of the programs. Certain personnel are 100% allocated to a single project and have their time directly allocated to that project. Other personnel have their time allocated based on actual time worked within each program / project which can be documented on the timesheet or by using a time allocation worksheet. Additionally, periodic time studies may also be used to support the allocation of staff whose duties do not fluctuate greatly between the months to which the time study is being applied.
- Fingerprinting / background checks are allocated based on how the related position is, or will be, funded. If costs are associated with a client, then they will be allocated based on the program under which the client receives services.
- Contract Services are allocated to the program who receives the benefit of the

services. When multiple programs, or program areas, receive benefit, then the cost is allocated using a cost driver that best fits the services which may include: number of clients, number of employees, number of meals, etc.

- Audit fees are allocated by using the anticipated percentage rate of the annual audit and tax preparation fees divided by the anticipated adjusted direct cost base, as computed in the indirect cost rate.
- Space and space-related costs, if not attributable to a single site, are allocated based on the occupied square footage of each program. If further allocation is needed, costs are allocated based on the number of clients served and / or the number of hours of service provided at the shared space. The majority of the facilities within the Agency are utilized by a single program and there are no facilities which are utilized equitably by all programs within the Agency. As a result, the only facility cost considered to be an indirect cost are the spaces occupied by the Administrative personnel within the Agency who serve all programs, such as the space occupied by the Executive, Finance, Human Resources, Information Technology, and Internal Audit offices.
- Fresno Executive Plaza or “FEP” (1900/1920 Mariposa Mall) facility costs are allocated utilizing a facility cost allocation pool which mimics an indirect cost rate. An initial budgeted rate per useable square foot (excludes common areas) is established at the start of the year. All costs which pertain to the overall operations and maintenance of this property are captured within a specific project code throughout the year. External tenant(s) remit rent payments in accordance with their lease agreements. Each month, the internal occupants are allocated their share of the facility cost based upon the initial budgeted rate and the square footage occupied by that program during the month. On a monthly basis, the projection of a~~Annual projected~~ costs are monitored against the budgeted rate for reasonableness. At the end of the sixth fiscal month (June) and the end of the year (December), the budgeted internal rate per square foot is converted into ~~-an actual~~ final rate per square foot based on the actual expenses incurred through the conclusion of the respective fiscal period. An allocation adjustment is completed at end of the sixth fiscal month as well as at the end of the year based on any variance that occurred between the budgeted and computed semi-annual actual cost~~final~~ rates per square foot. A procedural guide specific to these procedures are maintained on file within the Finance Office.
- Vehicles and vehicle related costs are allocated based on the program which utilizes the vehicle. If a single vehicle is being used for multiple program areas, this cost may be further broken down using miles driven as documented in a trip, or mileage, log.
- Mileage is allocated based on either the personnel allocation of the employee who drove the miles or on the allocation captured in a mileage log, depending on which is most appropriate given the reason for the mileage being incurred and the various duties / projects performed by the employee.
- Membership is allocated based on individuals (clients/employee) served.
- Staff Training: In-service and trainings for large groups which cover multiple program areas are allocated based on the number of staff and / or parents

associated with each program. Staff training that is completed individually or in small groups is allocated based on the purpose of the specific training along with the program with which the employee is associated.

- Food, snacks, and disposable supplies are tracked based on the program being served by the items being ordered, the site for which the purchasing is being completed, and based on who will utilize the items. If not directly attributed to a specific site, supplies are allocated based on the number of clients served.
- Copy machines, postage, and similar costs associated with shared equipment are allocated based on actual usage, if not shared, then these costs are allocated directly to the assigned program.
- Non-personnel insurance is allocated based on number of vehicles, square footage occupied, property valuation, or number of employees / volunteers, as appropriate for the type of coverage being allocated.
- Equipment, furniture, office supplies, and computer supplies are allocated to the programs where such items will be utilized and the benefit will be received. Items are generally ordered per funding source / program which allows the orders to be directly allocated to that program. When the ordered item will benefit multiple programs, then the cost is allocated based on factors such as: number of participants / users of the item. If the item is associated with a specific person, then the allocation of that person's time may also be selected as the appropriate basis.
- Telephone costs are allocated based on percentage of actual usage (call volume).
- Internet costs are allocated based on the number of connected computers / software licenses.
- Software licenses are allocated based on the number of users and may be further allocated by the users' personnel allocations.
- Client supportive costs (such as: bus passes, uniforms, etc.) are allocated based on the program under which the client is receiving such services.
- In-kind is allocated to programs in the same manner as when services / goods of a similar nature are procured.

Indirect Cost Allocation:

Indirect costs are the costs incurred to achieve a common, or joint, objective that cannot be readily associated with a program specific cost objective. In general, indirect costs are the costs that remain after all direct costs have been allocated to the programs for which they were incurred and to which benefits were received. (2 CFR 230 Appendix A (C)(1)) These costs represent the general administration expenses of the Agency, such as the salaries and operating expenses of the Executive Office, Finance Office, Human Resources Office, Information Technology Office, Internal Audit Office, and Board of Directors.

- 1) An annual indirect cost rate agreement is prepared and submitted annually to the U.S. Department of Health and Human Services (HHS), the Agency's cognizant agency, for approval by June 30th, unless a time extension is

requested and awarded.

- 2) The cost groupings utilized within the indirect cost proposal are aligned with those presented within the Agency's annual independent audit. Prior to submission to HHS, the costs are reconciled to the Consolidated Statement of Functional Expenses included within the audit. The approved rate is a final rate for the year audited. During the same process, a provisional rate for the following year(s) is also established. "Provisional Rate," or billing rate, means a temporary indirect cost rate applicable to a specified period which is used for funding, interim reimbursement, and reporting indirect costs on awards pending the establishment of a final rate for the period.
- 3) The Indirect Cost Proposal (ICP) is submitted to the cognizant agency along with a copy of the Single Audit, a reconciliation of the audit report to the ICP, lobbying Cost Certification, the ICP checklist, along with any other required certifications or information requests.
- 4) The approved indirect cost rate is used when determining the overhead applied to each grant, program, and/or function.
- 5) The Agency uses the simplified allocation method to develop the indirect cost rate, which is defined in 2 CFR 230, Appendix A, Subparagraph D.2, as follows:
 - a) Where an organization's major functions benefit from its indirect costs to approximately the same degree, the allocation of indirect costs may be accomplished by (i) separating the organization's total costs for the base period as either direct or indirect, and (ii) dividing the total allowable indirect costs (net of applicable credits) by an equitable distribution base. The result of this process is an indirect cost rate, which is used to distribute indirect costs to individual awards. The rate should be expressed as the percentage, which the total amount of allowable indirect costs bears to the base selected. (2 CFR 230, Appendix A (D)(2)(a))
 - b) Both the direct costs and the indirect costs shall exclude capital expenditures and unallowable costs. However, unallowable costs that represent activities must be included in the direct costs if they represent activities, which (i) include the salaries of personnel, (ii) occupy space, and (iii) benefit from the organizations indirect costs. (2 CFR 230, Appendix A (D)(2)(b) and 2 CFR 230, Appendix A (B)(3))
 - c) The distribution base may be total direct costs (excluding capital expenditures and other distorting items, such as major subcontracts or subgrants), direct salaries and wages, or other base which results in an equitable distribution. The distribution base shall generally exclude participant support costs as defined in paragraph 32 of Appendix B.

- 6) The distribution base, as defined in the Indirect Cost Rate Agreement, is total direct costs excluding capital expenditures (buildings, individual items of equipment, and alterations and renovations) and that portion of each subcontract in excess of \$25,000. (2 CFR 230 Appendix A (D)(3)(f))
- 7) All allowable indirect costs are charged to a separate administrative cost center(s). The provisional indirect cost rate is charged to each grant through a monthly journal entry. The indirect cost is calculated based on actual year-to-date expenditures (less capital expenditures and subcontracts in excess of \$25,000).
- 8) Except where a special rate is required, the indirect cost rate is applicable to all Agency awards and contracts (2 CFR 230 Appendix A (D)(2)(d)). Occasionally, the indirect cost rate may exceed the amount allowed for administrative expenses under the contract. If this occurs, the Agency will attempt to recover the excess indirect costs from other funding sources. If a special rate is required, appropriate modifications shall be made in order to develop the special rate.

Certification of Cost Allocation Plan:

This is to certify that to the best of my knowledge and belief:

- 1) I have reviewed the cost allocation plan submitted herewith;
- 2) All costs included in this cost plan are allowable in accordance with the requirements of the Federal awards to which they apply and with Subpart E of part 200 as well as part 75.
- 3) Costs which are unallowable under Subpart E of part 200 as well as part 75 such as (without limitation): public relations costs, contributions and donations, entertainment costs, fines and penalties, lobbying costs, and defense of fraud proceedings are not allocated to any Federal funding source or included in the indirect cost rate submission; and
- 4) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the Federal awards to which they are allocated in accordance with applicable requirements.

I declare that the foregoing is true and correct.

Fresno Economic Opportunities Commission

Signature:

~~Salam Nalia~~Jim Rodriguez, Chief Financial Officer

Date of Execution

X. FINANCIAL REPORTING PROCEDURES

Budget Process

Purpose

To design and direct the most efficient and prudent use of the Agency's financial and human resources.

Policy

The Program Directors are responsible for preparing their respective program's budgets and programmatic goals with assistance from the Finance Office. All budgets must be reviewed and approved by the Chief Financial Officer, Financial Officer, and/or Assistant Finance Director prior to submission to the appropriate funding agency. Program budgets will be used to prepare the annual consolidated Agency-wide budget, which is presented to the Chief Executive Officer and Board of Commissioners.

Procedures

- 1) To assist in preparation of the program and administrative budgets, the Finance Office will maintain a Budget Guidelines worksheet containing basic assumptions for the forthcoming fiscal year, such as payroll tax rates and fringe benefit rates.
- 2) Upon completion of the program budget, the Program Director will review all documents to determine compliance with applicable grant policies, regulations, and contract language. The Program Director will determine whether program goals can be attained within the budget constraints.
- 3) The annual administrative budget will be prepared on the accrual basis of accounting by Finance Office staff and submitted to the Financial Officer, Chief Financial Officer, and Chief Executive Officer for review and approval. The administrative budget will be combined with the program budgets to develop the consolidated Agency budget. The consolidated Agency budget, along with each programmatic budget, will be presented to the members of the Finance Committee and Board of Commissioners for approval.
- 4) After a budget has been approved by the Board of Commissioners, reclassifications or budget modifications may be made with approval of the Financial Officer and funding Agency, if required by the contract.
- 5) The Agency monitors its financial performance by preparing monthly variance reports by program, which contains actual monthly and/or year-to-date financial data as compared to the program budget. A variance narrative containing any relevant cost analysis information will also be provided.

Program Income

Purpose

To ensure that income earned on projects financed in whole or in part with federal funds is accounted for in compliance with applicable Federal regulations.

Policy

In accordance with 2 CFR 200.307(e), program income earned during the project period shall be retained by the recipient and, in accordance with Federal awarding agency regulations or the terms and conditions of the award, shall be used in one or more of the following ways:

- 1) Addition: With prior approval from the awarding agency, program income may be added to funds committed to the project by the Federal awarding agency and recipient and used to further eligible project or program objectives (2 CFR 200.307(e)(2)).
- 2) Cost sharing or Matching: With prior approval from the awarding agency, program income may be used to meet the cost sharing or matching requirements of the project or program (2 CFR 200.307(e)(3)).
- 3) Deduction: Deducted from the total project or program allowable cost in determining the net allowable costs on which the Federal share of costs is based. Program income must be used for current costs unless the awarding agency authorizes otherwise. Program income that the Agency did not anticipate at the time of the award must be used to reduce the award and Agency contributions rather than to increase the funds committed to the project. (2 CFR 200.307(e)(1))

If the awarding Agency does not specify in its regulations, or in its terms and conditions of the award, how program income is to be used, then item #3 above shall apply.

If authorized by Federal awarding agency regulations or the terms and conditions of the award, costs incident to the generation of program income may be deducted from gross income to determine program income, provided these costs have not been charged to the award (2 CFR 200.307(b)). Unless regulations state otherwise, there is no Federal obligation on program income earned following the end of the project period (2 CFR 200.307(f)).

Procedures

- 1) Per 2 CFR 200.80, program income is gross income earned by the Agency that is directly generated by a supported activity or earned as a result of the award during the period of performance. Program income includes, but is not limited to, income from fees for services performed, the use or rental of real or personal property acquired under Federal awards, the sale of commodities or items fabricated under an award, license fees and royalties on patents and copyrights, and principal and interest on loans made with award funds. Interest earned on advances of Federal funds is not program income. Except as otherwise provided in Federal awarding agency statutes, regulations, or the terms and conditions of the award, program income does not include rebates, credits, discounts, and interest earned on any of them.
- 2) Program Accountant shall review the terms and conditions of the award, to determine proper method to account for program income earned under the award.
- 3) Program income shall be reflected in the general ledger and reported on the program financial reports in accordance with the awarding agency regulations or the terms and conditions of the award.

In-Kind Recordkeeping

Purpose

To ensure that items used for cost sharing or matching requirements are fully documented and reflected in the general ledger on a timely basis.

Policy

Any shared costs or matching funds and all contributions, including cash and third party in-kind contributions, must meet all of the following criteria in order to qualify as cost sharing or matching funds per 2 CFR 200.306(b):

- Are verifiable from the recipient's records (2 CFR 200.306(b)(1));
- Are not included as contributions for any other Federal award (2 CFR 200.306(b)(2));
- Are necessary and reasonable for proper and efficient accomplishment of project or program objectives (2 CFR 200.306(b)(3));
- Are allowable under Subpart E Cost Principles of 2 CFR 200 (2 CFR 200.306(b)(4));
- Are not paid by the Federal Government under another Federal award, except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs (2 CFR 200.306(b)(5));
- Are provided for in the approved budget when required by the Federal awarding agency (2 CFR 200.306(b)(6)); and
- Conform to other provisions of 2 CFR 200 Subpart D Post Federal Award Requirements, as applicable (2 CFR 200.306(b)(7)).

Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency (2 CFR 200.306(c)).

Procedures

Documentation for in-kind contributions is completed at the program level and submitted to the Program Accountant on a monthly basis for review and preparation of general ledger journal entry. For third-party in-kind contributions, the fair market value of goods and services must be documented and to the extent feasible supported by the same methods used internally by the Agency (2 CFR 200.306(j)).

Procedures to record the various types of in-kind contributions are as follows:

Donated Services:

Volunteer services furnished by third-party professional and technical personnel, consultants, and other skilled and unskilled labor may be counted as cost sharing or matching if the service is an integral and necessary part of an approved project or program (2 CFR 200.306(e)).

- 1) Volunteer records hours on a monthly time record (Appendix XX) which is signed by the volunteer and approved by the site supervisor prior to submission to the appropriate program personnel.
- 2) The responsible program personnel responsible for volunteer coordination prepares a monthly summary of volunteer hours. The donated hours are valued using current Agency hourly rates for the same or similar position, to include applicable payroll taxes and fringe benefits that are reasonable, allowable, and allocable (2 CFR 200.306(e)).
- 3) The summary and supporting documentation are submitted to the applicable Program Accountant for journal entry preparation, which may be entered manually or imported.
- 4) Journal entry with summarized supporting documentation is filed in the Finance Office. Additional detailed documentation records for the in-kind contributions are maintained at the programs.

Donated Space:

The value of donated space must not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality (2 CFR 200.306(i)(3)).

- 1) Lease is negotiated with site owner and shall contain the cost to the Agency and the square footage and/or land parcel being leased. The in-kind valuation is determined by computing the difference between the fair market value and the actual cost to program. Fair market value is to be determined by an independent appraisal of comparable space in the same locality.
- 2) For donated space used periodically, an In-Kind Contribution of Space form is used to document the value of donation (Appendix XXI).
- 3) A journal entry is prepared to record donated space on a monthly basis.

Donated Supplies:

Donated property from third-parties may include such items as: equipment, office supplies, laboratory supplies, or workshop and classroom supplies. Value assessed to donated property included in the cost sharing or matching share must not exceed the fair market value of the property at the time of the donation (2 CFR 200.306(g)).

Discounts are recorded as in-kind if the discount was extended because the Agency is operating a social service program. Volume discounts or discounts that are available to the general public are not allowable as matching funds. The vendor must document the amount of discount offered (and dollar amount) and sign the in-kind documentation form (Appendix XXII).

Donated Land and Buildings:

If the purpose of the contribution is to assist the Agency in the acquisition of equipment, building, or land, the total value of the donated property may be claimed as matching with prior approval of the awarding agency (2 CFR 200.306(h)(1)).

If the purpose of the donation is to support activities that require the use of equipment, buildings, or land, depreciation may be claimed as matching, unless the awarding agency has approved using the full value as match (2 CFR 200.306(h)(2)).

The value of donated land or buildings must not exceed its fair market value at the time of donation as established by an independent appraiser. Information on the date of donation and records from the appraisal will be maintained in the property file.

Subrecipients

Purpose

To ensure that award funds passed-through to a subrecipient are used for authorized purposes and in compliance with statutes, regulations, and the terms and conditions of the award.

Policy

In certain situations, the Agency might find it practical to make subawards of funds to other organizations. As applicable, subrecipients must be approved in writing by the federal awarding agency and agree to the subrecipient monitoring provisions described in this section.

Procedures

The Agency, acting as a pass-through entity, must:

1. Ensure that every subaward is clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward (2 CFR 200.331 (a)):
 - a. Federal Award Identification;
 - b. All requirements imposed by the Agency on the subrecipient so that the award is used in accordance with statutes, regulations, and the terms and conditions of the award;
 - c. Any additional requirements that the Agency imposes on the subrecipient in order for the Agency to meet its own responsibility to the awarding agency including identification of any required financial and performance reports;
 - d. An approved federally recognized indirect cost rate negotiated between the subrecipient and the Federal government or, if no such rate exists, either a rate negotiated between the Agency and the subrecipient or a de minimis indirect cost rate as defined in 2 CFR 200.414;
 - e. A requirement that the subrecipient permit the Agency and auditors to have access to the subrecipient's records and financial statements as necessary for the Agency to meet the requirements of 2 CFR 200; and
 - f. Appropriate terms and conditions concerning closeout of the subaward.

2. Information required for reporting subawards of Federal funding in the FFATA Sub-award Reporting System (FSRS) will be collected from all subrecipients. Required information is to be entered into www.fsrs.gov. Reporting is to be in accordance with Public Law 109-282, the Federal Funding Accountability and Transparency Act of 2006 as amended (FFATA).
3. All subrecipients will be required to obtain a DUNS number and to have an account within the System for Award Management (SAM). Information from SAM will pre-populate as much of the reporting required at www.fsrs.gov as is possible. Information to be captured for the subrecipient includes:
 - a. The following data about sub-awards greater than \$25,000:
 - i. Name of entity receiving award;
 - ii. Amount of award;
 - iii. Funding agency;
 - iv. NAICS code for contracts/CFDA program number for grants;
 - v. Program source;
 - vi. Award title descriptive of the purpose of the funding action;
 - vii. Location of the entity (including congressional district);
 - viii. Place of performance (including congressional district);
 - ix. Unique identifier of the entity and its parent; and
 - x. Total compensation and names of top five executives (same thresholds as for primes).
 - b. The Total Compensation and names of the top five executives if:
 - i. More than 80% of annual gross revenues from the Federal government, and those revenues are greater than \$25M annually and
 - ii. Compensation information is not already available through reporting to the SEC.
4. Evaluate each subrecipient's risk of noncompliance with statutes, regulations and the terms and conditions of the subward to determine the appropriate monitoring. Evaluations may include such factors as (2 CRF 200.331 (b)):
 - The subrecipient's prior experience with the same or similar subawards;
 - The results of previous audits including whether or not the subrecipient receives a Single Audit, and the extent to which the same or similar subaward has been audited as a major program;
 - Whether the subrecipient has new personnel or substantially changed systems; and
 - The extent and results of Federal awarding agency monitoring (e.g. if the subrecipient also receives Federal awards directly from a Federal awarding agency).

5. Monitor the activities of the subrecipient as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring includes: (2 CFR 200.331 (d))
 - a. Regular contacts with subrecipients and appropriate inquiries regarding the program;
 - b. Reviewing programmatic and financial reports prepared and submitted by the subrecipient and following up on areas of concern;
 - c. Monitoring subrecipient budgets;
 - d. Performing site visits to the subrecipient to review financial and programmatic records and assess compliance with applicable laws, regulations, and provisions of the subaward;
 - e. Offering subrecipients training and technical assistance where needed;
 - f. Maintaining a system to track and follow-up on deficiencies noted at the subrecipient in order to ensure appropriate corrective action is taken; and
 - g. Establishing and maintaining a tracking system to ensure timely submission of all reports required of the subrecipient.
6. Subawards shall require that subrecipient employees responsible for program compliance obtain appropriate training in current grant administrative and program compliance requirements.
7. The Agency will follow-up with all subrecipients to determine whether all required audits have been complete. The Agency will cease all funding of subrecipients failing to meet the requirement to undergo an audit in accordance with 2 CFR 200.501. For all subrecipients that properly obtain an audit in accordance with 2 CFR 200.501, the Agency shall obtain and review the resulting audit reports for possible effects on the Agency's accounting records or audit.
8. Documentation shall be maintained in support of all efforts associated with monitoring of subrecipients.

9. In connection with any subrecipient that has been found to be out of compliance with provisions of its subaward with the Agency, responsive actions by the Agency may consist of the following:
- a. Increasing the level of supporting documentation that the subrecipient is required to submit to the Agency on a monthly or period basis;
 - b. Requiring that subrecipient prepare a formal corrective action plan for submission to the Agency;
 - c. Requiring certain employees of the subrecipient undergo training in areas identified as needing improvement;
 - d. Requiring documentation of changes made to policies or forms used in administering the subaward;
 - e. Arranging for on-site (at the subrecipient's office) oversight on a periodic basis by a member of the Agency's Finance or program staff;
 - f. Providing copies of pertinent laws, regulations, federal agency guidelines, or other documents that may help the subrecipient;
 - g. Arranging with an outside party for periodic on-site monitoring visits;
 - h. Reimbursing after-the-fact, and not provide advances;
 - i. Requiring review and approval for each disbursement and all out-of-area travel; and
 - j. As a last resort, terminating the subaward relationship and seeking an alternative.

Financial Report Preparation

Purpose

To ensure the accuracy, completeness, and timeliness of reporting the Agency's financial information.

Policy

All required financial reports will be prepared and completed timely, in accordance with contract requirements. All financial reports require the approval of the Financial Officer or Assistant Finance Director.

Overdue reports should be avoided whenever possible. In the event that an overdue report cannot be avoided, a waiver and extension request from the funding agency should be requested, if possible. Overdue reports include financial, performance or other required reports. Prompt action to correct overdue reports must be taken as soon as possible.

Procedures

- 1) Upon completion of monthly closing procedures (See "General Ledger Closing Procedures," Section I), detail G/L reports are generated by each Program Accountant.
- 2) The Program Accountant will prepare the monthly, quarterly, or annual financial report and submit it along with all supporting documentation to the Chief Financial Officer, Financial Officer, or designee for review and signature to approve it for submission. A schedule tracking the date of report signature is maintained by the Financial Officer and Accounting Supervisors.
- 3) The financial reports are submitted by the Program Accountants in accordance with the method prescribed by the funding source. This may include standard mail, e-mail, online submission, or a combination.
- 4) Closeout reports follow the same procedure as monthly financial reports.

Federal Financial Status Report:

- 1) The Federal Financial Report (FFR) SF-425 (Appendix XXIII) is commonly used to report the status of funds for all non-construction Federal grants. Each program shall report program outlays and program income on the accrual basis, which is used in the overall accounting system. Information reported must be reconcilable to the supporting financial statements and general ledger reports. Financial data must be provided in Section 10 of SF-425. Federal agencies will provide instructions to the grantee regarding the frequency requirements of

financial report submission. A final report shall be required upon expiration or termination of grant support.

- 2) When reports are required on a quarterly or semiannual basis, they shall be due thirty (30) days after the reporting period. Final reports shall be due ninety (90) days after the project or grant period end date.
- 3) Each financial report submitted by the grantee must reflect the proper amount of indirect costs applicable to the grant based on most current indirect cost rate available at the time the report is submitted. If there is a variance between the provisional rate and the final negotiated rate, a subsequent adjustment will be necessary. (See Section VIII Cost Allocation)
- 4) Grantees shall use the “Remarks” (Section 12) of this report to identify any reimbursements received during the period from other Federal agencies for grant-supported activities. This information shall include the amount of funds received and the source. If such funds replace grant funds originally budgeted for the same purpose, they shall also be included in Section 10-m of the SF-425 report. Additional required or clarification language may also be included in this field.
- 5) Program income earned during the period shall be reported on the FFR.
- 6) Funding sources may provide other forms for use specific to their grant reporting of fiscal information. The grant funding terms and conditions should be consulted for specific requirements. Regardless of the form used, the amounts reported will be reconciled to the financial records and supported by appropriate backup documentation for each transaction. All completed forms are to be reviewed by the Chief Financial Officer, Financial Officer, or Assistant Finance Director prior to submission.

Federal Financial Report (FFR) Cash Transaction Report:

- 1) The quarterly Federal Financial Report (FFR) is used to monitor cash advanced to grantees and to obtain disbursement or outlay information from grantees. The FFR is closely monitored by grants management staff and the Finance Office to determine what cash balance and cash deficits the grantee maintains. Information contained on the Cash Transaction Report must be reconcilable to the accounting records.
- 2) The expenditures on the final FFR must reconcile to the cash request and expenditures listed on the final FFR Cash Transaction Report once a grant cycle has been closed out.
- 3) For funding from Health and Human Services (HHS), a Program Accountant is

assigned the quarterly completion of this report for all HHS funding received throughout each Agency. This Program Accountant gathers all cash requests made during the quarter from Treasury and all financial status reports (or income statement) from the applicable Program Accountants. This information is then input into the consolidated quarterly report for submission via the Department of Payment Management (DPM) to HHS. For funding other than HHS, the assigned Program Accountant will gather the cash request and expenditure information for that program for reporting purposes.

- 4) The Program Accountant then enters the information into the appropriate reporting system as the preparer. The information is submitted to Financial Officer or Assistant Finance Director for review, certification, and submission.

Real Property Status Report (SF-429):

- 1) The Real Property Status Report SF-429 series of forms is used to report the status of real property purchased, constructed, or subject to major renovations paid for in whole or in part with federal funds, including Head Start funds, and real property claimed as match for a federal award, such as for the Head Start ~~award grant~~, annually on forms SF-429 and SF-429-A. Form SF-429-B is used to request use of Federal, such as Head Start, funds to purchase, construct, or complete major renovations of facilities covered by 45 CFR Part 1309. Form SF-429-C is submitted at close-out and whenever a grantee is seeking ~~ACF~~federal approval to sell, transfer, or encumber property subject to a federal interest, including refinancing existing indebtedness or subordination of a federal interest to the rights of a lender.
- 2) Program Accountant will meet with program staff, which for Head Start would include staff such as the Director, Assistant Director,~~including Head Start~~ Support Services representative(s), and assigned accountant, to ensure that all changes to Real Property which occurred during the prior year are properly identified through dialog and review of ~~the Support Services~~any available protrammatic renovation worksheets/records.
- 3) Program Accountant will also review the accounting system's fixed asset module records for capitalized acquisitions and dispositions which took place during the year being reported to verify proper inclusion within the SF-429 reporting.
- 4) As applicable, additional information will be reviewed to determine the Federal Interest in a given property. These records may include: loan / financing agreements, loan amortization schedules, general ledger reports, funding notice of awards, correspondence with funding agencies, audit reports, auditor correspondence, and Section 1303 applications to purchase, construct, and renovate facilities.

- 5) Information gathered by the Program Accountant throughout the year and in steps 2 through 4 above will be incorporated into the SF-429 information reported in the prior year.
- 6) Upon completion of the reports, the Program Accountant will submit the drafted reports and supporting documentation to the [Accounting Manager and Financial Officer](#) for review ~~and submission~~.
- 7) Upon completion of review by the Financial Officer and Accounting Manager, the updated SF-429 will be submitted to the Chief Executive Officer and either a Officer of the Board of Commissioners, or the full Board, for review and approval.
- 8) After review and approval from the Chief Executive Officer and Board, the Form SF-429 will be submitted.
- ~~6)9) The preceding procedures, steps 2 through 7, shall apply to all programs that receive federal funding and require reporting via Form SF-429.~~

Tangible Personal Property Report Series (SF-428):

- 1) Tangible personal property means property of any kind, except real property, that has physical existence. It includes equipment and supplies. It does not include copyrights, patents or securities. Reporting on tangible personal property acquired with Federal funds may be required to be submitted for property on-hand annually, at award closeout, or when the property is no longer needed. Specific requirements will vary based on award provisions, the type of property (equipment or supplies) and whether the property is Federally-owned. Form SF-428-A is used when required to provide annual inventory listings of Federally-owned property. The Final Report, SF-428-B is used, when required to provide property information in connection with the closeout of a grant award and is due not later than 90 days after the close of the project period. Form SF-428-C is used when required to make a Disposition Request/Report of Federally-owned property or acquired equipment, at any time other than award closeout.
- 2) In order to complete the forms, the Program Accountant will work with the assigned Program personnel to coordinate capture of all the necessary information. For the SF-428-B, information regarding any residual unused supplies with an aggregate fair market value exceeding \$5,000 and not needed for any other Federally sponsored programs / projects will be captured by the appointed Program personnel.
- 3) Program Accountant will review the Fixed Asset listing to obtain the information on the Tangible Property captured within this system in accordance with the

procedures discussed in Section VI Property, Plant, and Equipment of this manual.

- 4) Upon completion of the draft report, the report will be reviewed by the Financial Officer and applicable Program Director for review.
- 5) Finalized reports will be submitted by an Authorized Certifying Official.

Performance or Progress Reporting Requirements:

- 1) Recipients are responsible for monitoring and reporting program performance to assure that adequate progress is being made toward achieving the objectives of the grant or sub-grant program or activities.
- 2) Most Federal granting offices provide specific instructions for the completion of the performance report either in program regulations or guidelines. In some cases, more specific information to be included in these reports may be determined and agreed upon by the Federal granting office and the grantee at the time the grant is awarded. Dependent on the grant award terms and conditions, a performance report is generally submitted with the Financial Status Report to the appropriate Federal Grants Officer. The granting office may, however, waive the requirement for any performance report that is not needed.

Financial Statements

Purpose

To ensure communication of key financial information. Financial statements are management tools used in making decisions, in monitoring achievement of financial objectives, and as a standard method for providing information to interested parties external to the Agency.

Policy

The basic financial statements that are maintained on an Agency-wide basis shall include:

- Statement of Financial Position – Reflects assets, liabilities, and net assets of the Agency and classifies assets and liabilities as current or noncurrent and net assets by category (unrestricted, temporarily restricted, and/or permanently restricted).
- Statement of Activities – Presents support, revenues, expenses, and other changes in net assets of the Agency, by category of net asset, including reclassifications between categories of net assets.
- Statement of Functional Expenses – Presents the expenses of the Agency in a natural or objective format and by function (i.e., which program or supporting service was served).
- Statement of Cash Flows – Reports cash inflows and outflows of the Agency in three categories: operating activities, investing activities, and financing activities.

Procedures

1. Monthly financial reports, including a Statement of Financial Position and a Statement of Activities, are prepared and presented to the Finance Committee for approval. This includes the required monthly financial statements, including credit card expenditures, for Head Start and Early Head Start.
2. On an annual basis, the Agency shall prepare a complete set of GAAP consolidated financial statements, including footnotes addressing all disclosures required by GAAP. These are the financial statements from which the Agency's independent auditors will conduct their audit. Formal presentation of the Agency's annual audited financial statements shall be provided by the independent auditor to the Audit Committee.

Government Returns

Purpose

To ensure compliance with federal, state, and local jurisdiction requirements to file tax and information returns.

Policy

The Agency will file complete and accurate returns with all authorities and make all efforts to avoid filing misleading, inaccurate, or incomplete returns.

Procedures

The Agency's fiscal and tax year-end is December 31st. All annual and information returns of the Agency are filed on the accrual basis of reporting, unless otherwise indicated.

1. Form 990 – Annual information return of tax-exempt organizations, filed with the IRS. Form 990 for the Agency is due on the 15th day of the fifth month following year-end (May 15th). An automatic ~~36~~-month extension of time to file Form 990 may be obtained by filing Form 8868 (~~August~~ November 15th). ~~Upon expiration of the first 3-month extension, a second 3-month extension may be requested using Form 8868 (November 15th).~~
 - a. A draft of the Agency's annual Form 990 information return shall be reviewed and approved by the Finance Committee prior to being filed with the Internal Revenue Service.
2. Form 990-T – Annual tax return to the Agency's unrelated trade or business activities, filed with the IRS. Form 990-T is due on the 15th day of the fifth month following year-end (May 15th). An automatic extension of time to file Form 990-T may be obtained by filing Form 8868 (November 15th).
 - a. The Agency properly identifies and classifies income-producing activities that are unrelated to the Agency's tax-exempt purpose using the guidelines described in the Internal Revenue Code and underlying regulations. Such income shall be segregated in separate accounts in the G/L in order to facilitate tracking and accumulation of unrelated trade or business activities.
 - b. In addition to segregating income associated with unrelated business activities, the Agency's G/L shall also provide accounts for expenses associated with each such unrelated activity. These expenses shall be offset against unrelated business revenue in arriving at unrelated business taxable income. Expenses that shall be offset against gross

unrelated business income shall be limited to those expenses directly associated with the production of such income, including reasonable allocation of indirect costs that benefit each activity.

3. Form 5500 – Annual return for the Agency’s employee benefit plans. Form 5500 is due on the last day of the seventh month after the end of the plan year (July 31st), but a 2 ½ month extension of time to file may be requested using Form 5558 (September 15th).
4. Various Other Statements – Filed with the County of Fresno to report activities such as: Landlord Report of Tenants (Form 3012), Business Property Statement (Form 571-L), and Claim for Welfare Exemption (Form BOE-264-A), due at various times throughout the year.
5. Form W-2 and Form 1099 – Annual report of employee and non-employee compensation, based on calendar-year compensation, on the cash basis. These information returns are due to employees and independent contractors by January 31st and to the federal government by February 28th. Generally, Form 1099 is required only if the organization has provided more than \$600 in compensation to an independent contractor during the calendar year.
6. Form 940 – Annual federal unemployment tax return filed with the IRS, due by January 31st.
7. Form 941 – Quarterly payroll tax return filed with the IRS to report wages paid to employees and federal payroll taxes. Form 941 is due by the end of the month following the end of each quarter, or 10 days later if all payroll tax deposits have been made in a timely manner during the quarter.
 - a. Federal and all applicable state payroll tax returns are prepared by the third party payroll provider. The Agency complies with all state payroll tax requirements by withholding and remitting payroll taxes to the state of residency of each Agency employee.

Public Access to Information Returns:

Under regulations, the Agency is subject to federal requirements to make “widely available” the three most recent annual information returns (Form 990 and Form 990-T, if applicable) and the Agency’s original application for recognition of its tax-exempt status filed with the IRS, to all members of the general public.

Anyone appearing in person at the offices of the Agency during normal working hours making a request to inspect the forms will be granted access to a file copy of the forms. Reasonable copying charges may be made to anyone requesting a physical copy of such forms, in advance of providing physical copies. Access may also be provided by posting such documents on the Agency’s website at www.fresnoeoc.org.

Supplemental Monitoring

Procedural Guide

GENERAL INFORMATION

This document describes the monitoring procedures of the Finance Office and finance-related monitoring procedures of the Internal Audit Office and Finance Office within Fresno Economic Opportunities Commission (Fresno EOC). This guide explains the purpose, procedures, and the staff that is responsible for monitoring and the frequency in which monitoring occurs.

Management realizes that procedures set forth in this guide may become inadequate because of changes in conditions. As such, management will revise, modify, and update this guide as conditions warrant.

Once the outcome of the monitoring has been reviewed with the applicable staff and their supervisor, a written report of noted items, findings, and/or deficiencies will be prepared. This report will also include any noted recommendations for improvement or enhancement. If corrective action is implemented prior to the finalization of the report, then those actions will also be included within the report. Once all feedback has been obtained, the report will be sent to the responsible staff, the appropriate supervisor(s), as well as the CFO and/or CEO. If not already captured within the initial report, a written response will be provided by said management to include a plan for addressing any concerns and implementing changes.

At least bi-annually, either the CFO, CEO and/or a qualified member of the Board of Commissioners will participate in one of the procedures listed below to be selected on a haphazard basis. Monitoring updates will be provided to the appropriate committee (e.g., Finance, Audit) at least bi-annually according to the reporting schedule for each activity.

GENERAL LEDGER TRANSACTIONS

Frequency – Daily, Weekly or as needed.

Purpose - To ensure that all General Ledger (G/L) entries are current, accurate and complete.

Procedures - Each entry in the accounting system will be reviewed and approved by the Financial Officer, Assistant Finance Director or Managers prior to being posted to the general ledger. Journal entry numbers are system generated.

- 1) **Posting Journal Entries** - Completed journal entries with proper supporting documentation are submitted by accountants for review and posting.
 - a. Responsible staff will:
 - i. review journal entry for accuracy, proper coding, justification and the necessary supporting documentation,
 - ii. post to the general ledger accounting system,
 - iii. stamp "Posted", sign and date the journal entry.

GENERAL LEDGER CLOSING PROCEDURES

Frequency – Monthly or as needed.

Purpose - To ensure the accuracy of financial records and reports.

Procedures - Prior to running the monthly Agency Balance Sheet and Income Statement, the following procedures are performed:

- 1) Program Accountants will:
 - a. **Run** income statements, project detail reports, general ledger reports in Financial Edge of their respective programs.
 - b. **Review** revenue and expense accounts of their assigned programs for necessary revenue accruals or deferrals,
 - c. **Prepare** journal entries if needed. Enter account, fund, date, debit, credit brief explanation into Financial Edge, save the entry and validate. Financial Edge will assign a journal entry number, validate report. Take validation report add to journal back up, and initial.
 - d. **Submit** journal entries to responsible staff for posting to the general ledger
 - e. After journal entries are recorded/posted, the Program Accountant will run income statement report and prepare any applicable program billings
 - f. Program billings and monthly Progress Reports are submitted to the Accounting Supervisor for review and approval.
 - g. Accounting Supervisor reviews, signs and dates the billings and monthly Progress Reports and submits to the Financial Officer.
 - h. The monthly Progress Report provides a comparison of YTD revenues and expenses against YTD budget based upon the program-funding period.
- 2) Financial Officer or Assistant Finance Director will:
 - a. review and analyze balance sheet accounts
 - b. post, sign and date necessary journal entries
- 3) After monthly billings, progress reports, and journal entries have been reviewed, approved, and/or posted, balance sheet and income statement reports are generated for the Assistant Finance Director and Financial Officer's final review and approval.
- 4) Once approved, balance sheet and income statement reports are submitted for presentation and distribution to the Finance Committee.

CASH MANAGEMENT

Cash Receipts

Frequency – Daily, or as needed.

Purpose - To ensure amounts received are deposited timely and are credited to the proper bank account and general ledger account.

Procedures

Receipts Received by Mail:

- 1) Checks received in the mail are logged by the front desk staff noting date received, payee, check date, and amount.
- 2) Checks and supporting documents are scanned by the Front Desk staff.
- 3) Checks, check logs, and scanned documents are provided to the Treasury staff who add any cash receipt activity to the logs.
- 4) Treasury staff then submits documentation to the program accountants for coding and, if needed, bank account identification on a daily basis.
- 5) Program Accountants note the client ID and charge or invoice numbers on the check copy and

- set up any miscellaneous receipts in the A/R system.
- 6) Check copies and supporting documentation are returned to the Treasury Accountant / Account Clerk who then runs a tape of checks by bank account and prepares a deposit for each account.
 - 7) Any funds that are received by the Finance Office that are not deposited are stored in the safe within a secured room. Access to the receipts requires dual-custody for one person to unlock the secured room and a second person to open the safe.
 - 8) **Deposit Detail report** is approved and submitted to the bank by the Financial Officer or Assistant Finance Director.
 - 9) Checks which need to be deposited to other accounts, checks that could not be read by the scanner, and all cash received are deposited at the bank. The Treasury Accountant / Account Clerk groups items by bank account and prepares a duplicate deposit ticket for each deposit.
 - 10) At the end of each day, a second individual from the Finance Office reviews the **daily receipts log, receipt books, cash and checks received, and deposits** being taken to the bank. All items received are confirmed as either being deposited or available for deposit.
 - 11) Prepared deposits are dual counted and verified before they are sealed in a bank deposit bag. The bag is given to an individual authorized by either the Chief Executive Officer or the Chief Financial Officer who delivers the sealed deposit bags to the bank. Cash received is generally deposited on a weekly basis.
 - 12) The Treasury Accountant / Account Clerk enters the deposit in the A/R module of the accounting system. A print out of items entered by bank account is generated and attached to supporting documentation.
 - 13) The yellow copy of the deposit slip is attached to the supporting deposit documentation and then the deposit batch is filed by batch number.
 - 14) Accounts receivable is generally validated and posted weekly. Financial Edge assigns the journal entry batch number sequentially.
 - 15) The receipt log is reconciled to the deposit documentation by an individual who does not perform Treasury duties to verify all received funds are deposited into the bank.

Bank Deposits/Cash Receipts (Internal Audit)

Frequency - Quarterly

Purpose - To verify cash on hand and cash equivalents agree with cash deposit ticket and to assess the internal controls over cash and cash equivalents.

Procedure - The Internal Audit Office will review the bank deposits and cash receipts to ensure that cash receipts and checks are deposited in a timely manner. Internal Audit will obtain the receipts log trace entries listed on the cash receipts log to the deposit detail report.

ACCOUNTS RECEIVABLE

Frequency – Weekly, Monthly or as needed.

Purpose - To accurately reflect amounts due to the Agency in a timely manner.

Procedures

- 1) Weekly - posting of the A/R module occurs weekly or if required sooner by Financial Officer or Assistant Finance Director.
- 2) Monthly – Quality Assurance Staff runs and reviews the **Aged Receivables Report** and the **Open Item Report**. Outstanding items over 90 days are investigated and cleared.
- 3) Monthly - Quality Assurance staff will reconcile **A/R Open Items report, Aged Receivables Report** to the **General Ledger Report** on a monthly basis.
- 4) Monthly – Financial Officer will review, sign and date the **Accounts Receivable Reconciliation Report** that is prepared at the end of each month

CASH DISBURSEMENTS/ACCOUNTS PAYABLE

Frequency – Weekly or as needed.

Purpose - To safeguard the disbursement of Agency funds for authorized purposes in a timely manner.

Procedures

- 1) New vendors are reviewed and approved by the Accounts Payable Manager prior to entering into Financial Edge.
The review process includes:
 - a. Search of the **Excluded Parties List System (EPLS)** within the System for Award Management (SAM) to ensure the vendor is not excluded from providing services.
 - b. If applicable, the contractor's state license status will be reviewed online with the Department of Consumer Affairs Contractors State License Board.
 - c. After approval, the vendor record is set up by the Accounts Payable Manager.
 - d. When required by the IRS, a Form W-9 is completed by new vendors and is kept on file in Accounts Payable.
- 2) **Daily Edit Reports** are printed of all invoices keyed. Designated Accountant and/or Accounts Payable Manager review for any input errors.
- 3) Quality Assurance Accountant(s) reviews and initials all checks/EFTs and backup for completeness and accuracy.
- 4) Checks/EFTs over \$5,000 are forwarded to the Financial Officer, or other designated check signer, for a second review and signature.
- 5) Financial Officer selects a 5% sample of checks/EFTs under \$5,000 for a second review.
- 6) Financial Officer signs the Bank Draft Register after the review of checks/EFTs is completed.
- 7) Daily – Treasury Accountants run a **Daily Banking Report** every morning. The reports are reviewed for any discrepancies noted by the bank. A Positive Pay system is utilized so that a listing of all the checks written, including check number, amount, and payee, is electronically transmitted to the bank.
- 8) Accounts Payable Manager validates the **Accounts Payable Journal Entry** and reviews to verify items such as dates, transaction type, fund, and project.
- 9) Accounts Payable Manager submits Accounts Payable Journal Entry to Assistant Finance Director.
- 10) Assistant Finance Director reviews the Accounts Payable Journal Entry for accuracy and completeness and posts the journal entry to the general ledger. The journal entry is stamped with "Posted" stamp, signed, dated and filed.

AP/EFT Check Review (Internal Audit)

Frequency - Weekly

Purpose - The review will ensure that AP checks and EFTS have been issued for the proper amount, coded to the proper account/project, and that proper authorization has been obtained.

Procedure

- 1) Obtain Check/EFT Bank Draft Register from Accounts Payable.
- 2) Calculate test sample size and check for continuity using the 'Process Dates' sheet of the AP/EFT Check Review file
- 3) Process Dates Sheet – Enter process date, beginning and ending check numbers listed from the Bank Draft Register onto Process Dates sheet. The Process Date sheet will calculate the number of samples to pull and will check for missing dates and/or missing checks. Contact Accounts Payable Manager if any variances occur.
- 4) In Financial Edge, run query "AP Check Query" to obtain vendor and account details. Export query data results in Excel format.

- 5) Select checks and EFTs to review and copy check/EFT data from AP Check query onto the 'Checklist' sheet of the AP/EFT Check Review file
- 6) Obtain checks and EFT backup that are stored in the Finance Office.
- 7) Review each check and EFT thoroughly and fill out checklist using tick marks for compliance or noncompliance of attributes.
- 8) Sign Bank Draft Register at the completion of the review.
- 9) Communicate results of review to Accounts Payable Manager for revisions or corrections of any findings.
- 10) A written report of serious deficiencies will be communicated to Financial Officer and Assistant Finance Director and a copy provided to the CFO and CEO.
- 11) Management will provide specific written responses to observations and recommendations which shall include a target implementation date for any changes as well as the staff responsible.
- 12) Follow up will occur at an interval commensurate with the implementation timeline.

Head Start CSPP Allocations Review (Internal Audit)

Frequency - Weekly

Purpose - The review will ensure that Head Start and CSPP AP checks and EFTs have been properly allocated, issued for the proper amount, coded to the proper account/project, and that proper authorization has been obtained.

Procedure

- 1) Obtain Check/EFT Bank Draft Register from Accounts Payable.
- 2) Calculate test sample size and check for continuity using the 'Process Dates' sheet of the AP/EFT Check Review file
- 3) In Financial Edge, run query "AP Check Query" to obtain vendor and account details. Export query data results in Excel format.
- 4) Select checks and EFTs to review and copy check/EFT data from AP Check query onto the 'Checklist' sheet of the AP/EFT Check Review file
- 5) Obtain checks and EFT backup that are stored in the Finance Office.
- 6) Review each check and EFT thoroughly and fill out checklist using tick marks for compliance or noncompliance of attributes.
- 7) Communicate results of review to Accounts Payable Manager for revisions or corrections of any findings.
- 8) A written report of findings or deficiencies will be communicated to Finance Officer and Assistant Finance Director and a copy provided to the CFO and/or CEO.
- 9) Management will provide specific written responses to observations and recommendations including a target implementation date for any changes as well as the staff responsible, if this is not incorporated into the initial report.
- 10) Follow up will occur at an interval commensurate with the implementation timeline.

Accounts Payable Review (Internal Audit)

Frequency - Annually or as needed

A review of accounts payable should be completed annually, provided that there is adequate staffing, time, and resources.

The review of accounts payable includes audits of the following areas:

- Determine if adequate controls exist to provide reasonable assurance that payments cannot be made to an incorrect vendor
- Determine if adequate controls exist to provide reasonable assurance that payment of invoices are made in a timely manner to the vendor

- Determine if adequate controls exist to provide reasonable assurance that correct payment is made to the vendor
- Determine if adequate controls exist to provide reasonable assurance that duplicate payments cannot be made to the vendor

Accounts Payable New Vendor Review (Internal Audit)

Frequency - Bi-annually

A review of the AP New Vendor process should be completed twice a year. The set up process of new vendors and related internal controls should be reviewed. The review ensures that appropriate documentation is obtained for each new vendor and that only authorized personnel have the ability to set up/delete/edit vendors in the system.

Working papers are completed in order to record the processes and documents that are reviewed.

Petty Cash Count (Internal Audit)

Frequency - Bi-annually or as needed

Purpose - This is an unannounced petty cash review that is conducted to insure the safeguarding of cash. Each program that carries petty cash must appoint a petty cash custodian. The custodian fills out a petty cash custodian form and sends the original copy to Human Resources where the form is filed in the personnel files. A copy is sent to internal audit.

Internal Audit conducts the unannounced monitoring a minimum of twice a year at different times during the year.

Procedures

- 1) Run GL **report** in Financial Edge and pull supporting documents of petty cash replenishments
- 2) Select program to review
- 3) Visit program site (unannounced) and count petty cash on hand in the presence of petty cash custodian
- 4) Request petty cash receipts to account for the distribution of petty cash
- 5) Fill out review form
- 6) Discuss any findings, control weaknesses observed during the visit
- 7) Custodian sign form
- 8) Auditor sign form
- 9) Communicate the results of your review to the program director and Chief Operating Officer

Credit Card Procedures

Frequency – Daily, or as needed.

Purpose - To establish uniform procedures regarding the appropriate use of Agency credit cards

Procedures

- 1) The Accounts Payable Manager will reconcile the credit card statement with the receipts and expense reports received. Any charge not supported by appropriate documentation will be referred to the cardholder that incurred the charge.
- 2) A journal entry will be prepared to record the expenses in accordance with the receipts and supporting documentation received.
- 3) The **Credit Card Journal Entry** will be reviewed, posted and signed by the Assistant Finance

Director.

- 4) As part of the preparation of the monthly financial reports, credit card expenditures are gathered and presented to the Finance Committee for Head Start and Early Head Start operations. These expenditures are also presented to the County Wide Policy Council.

Credit Card Review (Internal Audit)

Frequency - Monthly

Purpose - This review will consist of credit card transaction journal entries and supporting do documentation. The review will ensure that charges have been issued for the proper amount, coded to the proper account/project, has proper authorization and are reasonable and allowable.

Procedure

- 1) Obtain journal entry number from Financial Edge.
- 2) Obtain hardcopy journal entry.
- 3) Run Query in Financial Edge for journal entry coding.
- 4) Export data in Excel format.
- 5) Input journal entry data onto Credit Card Review Checklist.
- 6) Attributes to review charge is included in journal entry transaction detail.
- 7) Proper support is attached as backup for each charge
- 8) Vendor name on charge agrees with supporting documentation, account, coding and allocations are appropriate and reasonable
- 9) Invoices/contracts are authorized by appropriate individuals and are within authorized signer's limit.

Head Start Imprest Account

Frequency – Monthly, or as needed.

Purpose - The Imprest Account will be used on an as-needed basis for large quantities of small expenditures to avoid preparing manual checks through the Agency's automated Accounts Payable System.

Procedures

- 1) Head Start will submit to the Assistant Finance Director or the Financial Officer a request for replenishment consisting of the following:
 - a. A summary of checks issued in numeric order, including vendor name, dollar amount, description and site.
 - b. The duplicate check stapled to the proper supporting documentation.
- 2) Treasury Accountant reviews the documentation for accuracy and completeness and issues a replenishment check to Head Start through the bank's funds transfer system.
- 3) When needed the Treasury Accountant will issue all stop payments after receiving a written request form the Head Start Program Director or Fiscal Compliance Manager.
- 4) Treasury Accountant reconciles the Imprest Account on a monthly basis and notifies the Assistant Finance Director of any discrepancies noted.

Bank Reconciliation Procedures

Frequency – Monthly, or as needed.

Purpose - To safeguard the Agency's assets.

Procedures

- 1) **Bank statements** are reviewed by the Assistant Finance Director and Financial Officer when

received from the bank and are then forwarded to the Treasury Accountant or Quality Assurance staff.

- 2) Treasury Accountant or Quality Assurance staff will perform bank reconciliations on a monthly basis using the bank reconciliation form.
- 3) The Assistant Finance Director and Financial Officer will review all reconciliations and approve.
- 4) Listing of all checks outstanding over 180 days will be provided to Accounts Payable for investigation and reissuance, where possible, or will be voided.
- 5) Bank reconciliations are filed with bank statements for permanent record.
- 6) Outstanding checks will be reviewed by the Assistant Finance Director annually for submission to the State Controller's Office, as appropriate.

Bank Reconciliations (Internal Audit)

Frequency - Quarterly

Bank reconciliations are completed monthly by the Finance Office to ensure that no material differences between the bank balance and the general ledger balance exist. The Internal Audit Office will review the bank reconciliations quarterly to ensure that:

- Variances are reasonable
- Reconciliations are completed in a timely manner
- Balances reflected on the reconciliations are accurate

Additionally, any unusual or material reconciling items will be investigated; reconciling items should be traced to supporting documentation.

Explanations of these types of items must be reasonable and complete.

PAYROLL

Frequency – Bi-weekly, or as needed.

Personnel Requirements

Purpose - To ensure that all information processed through the payroll system is authorized at the appropriate level and is supported by written documentation.

Procedures

New Employee:

Payroll Manager reviews that the set-up of new employees from the recruiting / human resources area into time / payroll was transferred as intended and investigates any exceptions. The most common issues are duplicated social security numbers, which may require a change to the assigned employee number, and failed verification of social security numbers through the Social Security Number Verification System (SSNVS), which verifies the employee's first and last names, date of birth, and the social security number against the Social Security Business Services Online.

Payroll Changes:

- 1) Changes to existing data will be initiated when the appropriate form is submitted to either the Payroll or the HR Office by the program or employee, as applicable. Such changes include transfers, status, increments, promotions, and Temporary Payroll Notices (TPN).
- 2) The Agency uses the following forms to process payroll changes:
 - a) **Employee Form** - Used primarily for changes in employee's status, increments, promotions, transfers, or pay rate. Form is initiated by the employee's supervisor and once the form has been reviewed and approved, it is forwarded to the HR Office where it is entered into the Human Resources system.

- b) **IRS Form W-4 and State of California DE-4** - Used for changes to tax withholding status and allowances. Submitted to the Payroll Office and processed in the Payroll system.
 - c) **Direct Deposit Authorization Form** - Used to set up an employee for automatic payroll check deposit. Submitted to the Payroll Office and processed in the Payroll system.
 - d) **Employee Temporary Payroll Notice (TPN)** - Used for an employee's temporary rate change or temporary program transfer. Submitted to the HR Office and processed in the HR system.
 - e) **Change of Address Form** - Used to report address changes for both current and terminated employees.
- 3) Employees may also initiate changes to their personal information through the online Employee Self-Service (ESS) portal, including how they receive their payroll check or check stub, report a change of address, and changes to federal and state tax withholding status. Additionally, during open enrollment, employees may use the Employee Self-Service portal to enroll in or drop health and supplemental insurance coverage or enroll in other benefits.
 - 4) Changes are manually brought into the payroll system by the payroll staff as discussed under the New Employee procedures. The Payroll Administrators routinely (often daily) generate and review the **Master File Audit Report(s)** to verify that the intended data changes imported correctly into the Payroll system. All shared data is compliant with state privacy rules and HIPAA.

Termination:

- 1) The signed **Termination Form** and final printed timesheet are forwarded to the Payroll Office for processing of the final paycheck. The date posted on the Termination Form determines when the manual check(s) will be issued.
- 2) All earnings, reimbursements, and unused vacation balance are due to the employee upon the last day worked, or the date listed on the Termination Form. Payroll generates the manual check(s) which are reviewed by the Financial Officer or Assistant Finance Director for accuracy and signed. The signed final check is forwarded to the HR Office.

Payroll Processing

Procedures

Time:

Employee time is populated through the electronic time module within ADP. Employees are to review their time entries, review any outstanding items with his/her supervisor, then certify and submit their time. Once complete, supervisors review all time entries and submit them to payroll for processing. Payroll grids are Excel spreadsheets unique to each program which are utilized on a limited basis.

- 1) The review process begins when Payroll receives time sheets and payroll grid. The review process verifies that:
 - Employees are active employees – no ghost employees;
 - Timesheet reflects the current pay period dates;
 - The hours in/out are correct and that it totals to what is stated on the timesheet;
 - Overtime hours are captured properly;
 - Meal time premiums are correctly applied/not applied;
 - Sick, PSL, and vacation balances are not exceeded;
 - All employee and supervisor approvals are noted; and
 - Program codes are active projects.
- 2) After the review and any adjustments are made, the file is saved, verified, and assigned a batch number. The Payroll Office will then import the file with the assigned batch number into the Payroll system. It is then noted that the program files are downloaded and complete; the folder is then initialed and filed as complete.

Payroll Processing:

A journal is created for each Program containing all the timesheets received from each Program. Once all Program journals are complete, the time is sent to the Third Party vendor for processing.

Payroll Exception Review:

The Payroll Exception Review includes review of:

- The information that will be printed on the check;
- Pay period beginning and ending dates;
- Special program messages;
- Pay codes and deduction codes;
- Health insurance deductions; and
- Employer health insurance contributions.

Payroll also reviews and verifies the following reports generated while processing time:

- 1) **Tax Audit Transaction Report** - Summarizes all the manual checks that were processed during the pay period.
- 2) **Tax Exception Report** - List tax exceptions, variances in paid hours, employee status receiving check, type of check, and review for excess hours over limit; terminated employees being issued a check, deductions that produce a zero check, duplicate pay entries.
- 3) **Audit Report** - Detailed report of each employee's hours paid, and deductions. This report has subtotals by program and overall grand total hours paid. It includes a complete listing of all deductions, voluntary and involuntary, and employer tax and contributions.
- 4) **Vacation Sick Reports** - Review for hours being paid exceeding their accrued limit.
- 5) **TPC-Pre-Processed Items Report** - Review of Third Party Checks and child support EFT being processed.

Following completion of the Payroll Exception Review, the Master Journal is submitted to the Third Party vendor for processing. Payroll information is posted by downloading the General Ledger file from the third party payroll provider into Excel and importing it into Financial Edge.

Posting of the payroll journal entry occurs following review and approval by either the Assistant Finance Director or Financial Officer.

Payroll Payments and Distribution

Purpose - To ensure payment for salaries and wages is made only to employees entitled to receive payment.

Procedures

Printed Checks and Paystubs:

- 1) Payroll checks and direct deposit check stubs are delivered to the Fresno EOC Payroll Office by courier. For tracking purposes, check are counted upon receipt.
- 2) The checks are sorted by program and the total checks to be distributed are tallied on a biweekly check distribution log.
- 3) The Payroll Office is responsible for mailing the checks. Checks that are distributed by program are picked up by the designated program staff who accounts for all of the checks and signs the check distribution log.

Payroll Review (Internal Audit)

Frequency - Annually or as needed

A review of payroll should be completed annually, provided that there is adequate staffing, time, and resources.

The review of payroll includes audits of the following areas:

- The proper functioning of payroll and personnel processes and operations
- Calculation of earnings, special payments, employee benefits, and employee taxes
- Compliance with applicable federal/state laws relating to employment taxes, tax and non-tax reporting requirements
- Accounting for payroll transactions (properly classified and posted to general ledger)

Mileage Review (Internal Audit)

Frequency - Bi-Weekly

Purpose - This is a two-part review. Both reviews ensure that mileage has been calculated, recorded and reimbursed accurately. Part I comprises review of mileage sheets for completeness and accuracy of reimbursement. Mileage will be traced from the mileage sheet and agreed to the Employer Contribution Report (ECR). In Part II the ECR is traced to the mileage forms.

Procedure

- 1) Part I – Obtain copy of ECR and select employees who have submitted hard copy mileage forms.
 - a. Review mileage forms for completeness.
 1. Are the forms signed by a supervisor?
 2. Is mileage calculated correctly?
 3. Are distances and destinations reasonable?
- 2) Part II – From the Employee Contribution Report, select employees who have received mileage reimbursements.
 - a. Obtain the mileage form to verify agreement to the ECR.

Payroll Time Sheet Review (Internal Audit)

Frequency - Bi-Weekly

Purpose - Review consists of time sheets from each program. Each program will be reviewed at least once per quarter to ensure that the timesheets are complete, hours have been calculated correctly, and that the calculations agree to the Employee Contribution Report (ECR).

Procedure

- 1) From the ECR select programs and employees to review.
- 2) Obtain copies of timesheets from Payroll office. Attributes are subject to change.
- 3) Ensure that timesheet was for the correct pay period and was signed by the employee and appropriate management.
- 4) Ensure that hours were calculated correctly. Note any exceptions.
- 5) Notify Payroll of the exceptions.

PROPERTY, PLANT AND EQUIPMENT

Acquisitions

Frequency – Weekly, or as needed.

Purpose - To accurately record fixed asset additions and safeguard assets from loss.

Procedures

- 1) The Accountant responsible for fixed assets reviews the Cash Disbursement Journal report following each check or electronic funds transfer (EFT) run for disbursements in excess of \$1,000 to identify potential fixed assets items that are to be captured in the system.
- 2) When required to capture federal interest in an asset, Form SF-429B will be obtained for record retention with the fixed asset record.
- 3) The Accountant will record the purchase in the fixed asset module including any assigned tag number.
- 4) Internal Audit will reconcile the fixed asset inventory listing to the general ledger property accounts at least semi-annually.
- 5) When asset acquisitions are posted from the Fixed Asset module to the General Ledger, the **"Asset Acquisition and Depreciation Monitoring Checklist"** will be completed.

Recordkeeping and Inventory

Purpose - To accurately record fixed asset acquisitions, transfers, and dispositions.

Procedures

- 1) The Accountant responsible for fixed assets will record required property information in the fixed asset module.
- 2) Internal Audit will conduct biennial inventories at various program sites in accordance with 2 CFR 200.313(d)(2).
- 3) If equipment has become obsolete or is no longer in use, the program will notify the Accountant responsible for fixed assets and follow Agency or funding source disposal guidelines for disposition, so that it may be accurately reflected in the Fixed Asset module.
- 4) The Financial Officer must approve the write-off of all capitalized fixed assets that may be worn-out or obsolete.

Fixed Assets Inventory (Internal Audit)

Frequency - Biennially

Once every two years, all fixed assets should be observed. The observation ensures that recorded assets exist, that fixed assets which have been disposed of get removed from the fixed asset system, and that any unrecorded assets get entered into the fixed asset system.

The Internal Audit Office will obtain the fixed asset inventory listing from Financial Edge prior to observing fixed assets. The fixed asset inventory list includes information about the fixed assets such as location, description, tag number, date of acquisition, cost, and last date of observation. The location, description, and tag number on the inventory list is then matched to the physical asset, and any differences are noted.

After an asset is observed, the fixed asset system is updated to reflect this. The Internal Auditor will note the date and location where the asset was observed and provide that information to the Finance Office who will then update the information in Financial Edge. Additionally, any changes to fixed assets will also be updated in Financial Edge at this time, such as a change in location. For any assets that cannot be observed/located, a follow-up review and inquiry should be performed to determine if there is a reasonable explanation for the lack of observation, such as disposal of the asset. Any findings will be reported in a memo to the Internal Audit Director and Financial Officer.

Depreciation

Purpose - To record depreciation of assets in accordance with Accounting Procedures Generally Accepted in the United States (GAAP) in a timely manner that allocates the cost of the asset to

the period benefiting from asset use.

Procedures

- 1) Depreciation is calculated and posted on a monthly basis by running the **Pre-Calculation Depreciation Report** in the fixed asset module in Financial Edge.
- 2) After reviewing the Pre-Calculation report to ensure Depreciation generated properly, either the Financial Officer or Assistant Finance Director will generate the expense and post it to the General Ledger.
- 3) The “**Asset Acquisition and Depreciation Monitoring Checklist**” will be completed and kept on file to document the review and posting of the depreciation.

Disposal of Property, Plant and Equipment

Frequency – as needed.

Purpose - To ensure that assets no longer in use will be disposed of in accordance with Agency and/or funding source policies.

Procedures

- 1) Program will notify the Accountant responsible for fixed assets of disposition of asset using the Asset Disposition Form so that disposition data may be recorded in the fixed asset inventory system and note the date in the fixed asset records. If required, Form SF-429C will be submitted with the appropriate Federal funder.
- 2) Any gain or loss on the disposal of the asset will be recorded through a journal entry based on the difference between the net book value of the asset and any sales proceeds. If applicable, any gain on disposal will be reported as program income to the funding source.
- 3) Manager or Financial Officer will review the journal entry to verify the asset is properly removed from both the Fixed Asset module and from the general ledger. Additionally, the computation of any gain/loss is verified prior to posting the journal entry.

FINANCIAL REPORTING PROCEDURES

Budget Process

Frequency – Annually, or as needed.

Purpose - To design and direct the most efficient and prudent use of the Agency's financial and human resources.

Procedures

- 1) The annual administrative budget will be prepared on the accrual basis of accounting by Finance Office staff and submitted to the Financial Officer, Chief Financial Officer, and Chief Executive Officer for review and approval.
- 2) The administrative budget will be combined with the program budgets to develop the consolidated Agency budget. The consolidated Agency budget, along with each programmatic budget, will be presented to the members of the Finance Committee and Board of Commissioners for approval.
- 3) After a budget has been approved by the Board of Commissioners, reclassifications or budget modifications may be made with approval of the Financial Officer and funding Agency, if required by the contract.
- 4) The Agency monitors its financial performance by preparing monthly variance reports by program, which contains actual monthly and/or year-to-date financial data as compared to the program budget. A variance narrative containing any relevant cost analysis information will also be provided.

Financial Report Preparation

Frequency – Monthly, or as needed.

Purpose - To ensure the accuracy, completeness, and timeliness of reporting the Agency's financial information.

Procedures

- 1) Upon completion of monthly closing procedures detail G/L reports are generated by each Program Accountant.
- 2) Review Stamp Process: Program Accountants prepare the monthly, quarterly, or annual financial reports and stamp it with the Review Stamp. The reports along with supporting documentation are submitted to the Accounting Supervisor.

The Review stamp is imprinted with

Prepared by: _____ Date _____

Reviewed by: _____ Date _____

Approved by: _____ Date _____

- 3) The Accounting Supervisor reviews the financial report and supporting documentation for accuracy and completeness and signs that the documents were reviewed. The financial reports with supporting documentation are forwarded to either the Chief Financial Officer, Financial Officer, or designee for final review and signature to approve it for submission.
- 4) The following forms are completed by the Program Accountant, stamped with the review stamp and submitted to the Accounting Manager or designee.
 - i. Budget proposals
 - ii. Invoice / billings to funding sources
 - iii. Budget modification / extension / carryover requests
 - iv. Federal Financial State Report (FFR) SF -425
 - v. Federal Financial Report (FFR) Cash Transaction Report
 - vi. Real Property State Report (SF-429)
 - vii. Tangible Personal Property Report Series (SF-428)
- 5) The completed forms are to be reviewed and approved by the Chief Financial Officer, Financial Officer, or Assistant Finance Director prior to submission.
- 6) Where required, reports shall also be review by the CEO, Officer of the Board, and/or Board of Commissioners. After review and approval by the CEO and Board, the completed form may be submitted.

Financial Statements

Frequency – Daily, or as needed.

Purpose - To ensure communication of key financial information. Financial statements are management tools used in making decisions, in monitoring achievement of financial objectives, and as a standard method for providing information to interested parties external to the Agency.

Procedures

- 1) Monthly financial reports, including a Statement of Financial Position and a Statement of Activities, are prepared and presented to the Finance Committee for approval. This includes the required monthly financial statements, including credit card expenditures, for Head Start and Early Head Start.
- 2) On an annual basis, the Agency shall prepare a complete set of GAAP consolidated financial statements, including footnotes addressing all disclosures required by GAAP. These are the financial statements from which the Agency's independent auditors will conduct their audit. Formal presentation of the Agency's annual audited financial statements shall be provided by the independent auditor to the Audit Committee.

Account Analysis Review (Internal Audit)

Frequency - Quarterly

Purpose - To ensure the accuracy of balance sheet accounts.

Procedure

- 1) Audit Schedules are prepared quarterly.

Due Dates for Audit Schedules

Due Dates

FINAL (Prior Year)	Jan. 1 to Dec. 31	February 28
1 st Quarter	Jan. 1 to Mar. 31	May 31
2 nd Quarter	Jan. 1 to June 30	August 31
3 rd Quarter	Jan. 1 to Sept. 30	November 30

- 2) Internal Audit Staff will prepare Audit Schedule binders. The binders include:

- Trial Balance Report YTD
- Audit Schedule spreadsheet for balance sheet accounts
- General Ledger report matching trial balance report for each account.
- Project Detail report for each accounts (if needed)
- Printout of queries (if needed)
- Supporting documentation to verify balances such as: contracts, bank statements, amortization schedules, journal entries, financial reports etc.

- 3) To run reports in Financial Edge.

- General Ledger Report
 - Reports→Account Reports→General Ledger Report (Double-Click)
- Project Detail Reports
 - Reports→Project Reports→Project Detail Report (Double-Click)
- Trial Balance Sheet
 - Reports→Account Reports→ Trial Balance Report (Double-Click)
- Income Statement
 - Reports→Financial Statements→Income Statement (Double-Click)
- Fixed Asset Rollforward Report – (4 Queries – Fixed Assets Module→Queries)
 - SS1 – Accumulated Depreciation→Criteria tab→change date
 - Output tab→ Accumulated depreciation_1→ change date. Year to date depreciation_1→change date. Accumulated depreciation_2→ change date.
 - SS1 – FA Additions→Criteria tab→Date in Service→ change date
 - SS1 – FA Disposals→Criteria tab→Date disposed→change date
 - SS1 – Asset Listing→Criteria tab→date in disposed→change date. Date in service→change date.

- 4) To complete audit schedules for Account 1170 and Account 2015 run general ledger report separately by different JOURNALS – AR, AP, GJ, INTERCOMPANY, STATEMENT.

- GENERAL LEDGER REPORT→Filters→JOURNALS→Selected→select the journal.

- 5) To complete audit schedules for Account 1802 – Notes Receivable run general ledger report separately by different JOURNALS – AR, AP, GJ, INTERCOMPANY

- General Leger Report→Filters→JOURNALS→Selected→select the journal.

- 6) Internal audit staff will:

- Complete audit schedules for balance sheet accounts
- Analyze each balance sheet account for any unusual activity and flag any account activity that needs further review
- At a minimum, audit schedule reports include a copy of the account analysis and copy of the general ledger report.
- Submit account analyses with supporting documentation to the Financial Officer by the due date.

- 7) Financial Officer will review the account analyses and initial approval.

- 8) Account analyses with supporting documentation will be placed in the audit schedule binder or retained electronically.



FINANCE COMMITTEE MEETING

Date: June 10, 2020	Program: Finance
Agenda Item #: 9	Officer: Kathleen Shivaprasad
Subject: Head Start 0-5 Carryover Application	Officer: Emilia Reyes

Recommended Action

Staff recommends for the full Board consideration the Committee's approval of the submission of Carryover application requesting transfer of \$ 3,532,786 from 2019 for Head Start Basic, Early Head Start Basic, and Duration for projects that were unable to be completed within 2019 into the corresponding component for 2020.

Background

Head Start requires prior approval to be requested and received in order to carryover unobligated funds from one year into the next year for use. Such carryover requests are allowed to support the completion of projects that were approved for the year that has ended but that were not able to be obligated during year.

Fiscal Impact

A carryover funding request is required to allow for completion of projects initially budgeted within 2019 and the expenditure of these funds. If the carryover request is not granted, then these funds will be not be able to be utilized. The following provides details of the funds being requested for carryover by area:

	Head Start Basic	Early Head Start Basic	Duration	Total
Equipment	\$ -	\$ -	\$ 94,000	\$ 94,000
Supplies	778,050	-	366,376	1,144,426
Contractual	129,100	8,000	429,400	566,500
Construction	-	616,000	1,057,160	1,673,160
Other	-	-	54,700	54,700
Total	\$907,150	\$624,000	\$2,001,636	\$3,532,786

The duration request of \$ 2,001,636 is further broken down by site as follows:

1. Fairmont - \$ 175,825
2. Dakota Circle - \$ 288,435
3. Clinton/Blythe - \$ 879,026
4. Shields - \$ 266,475
5. Former Tilley - \$ 391,875

Conclusion

Upon approval of the Board and the County Wide Parent Committee (CWPC), the carryover applications will be submitted to HHS for approval. Once the carryover request is approved, then the projects may be obligated. As 2020 is the last year in the Head Start five year grant cycle, it is critical that all funds must be obligated by December 31, 2020. The liquidation deadline will be March 31, 2021 unless an extension is requested and granted.



FY 2019 PROPOSED BASIC BUDGET CARRYOVER

CARRYOVER PROJECT NARRATIVE/JUSTIFICATION From 2019 Budget Modification to 2020 Carryover

Fresno County Economic Opportunities Commission (dba Fresno EOC) Head Start (HS) provides services to 2,750 three and four year olds and their families throughout Fresno County, 636 in Home Base and 2,114 in Center Base. In This application Fresno EOC HS requests permission to reprogram \$900,924 of authorized budget revision funding to a carryover for expenditure during 2020 fiscal year.

Since Fresno EOC EHS experienced savings in our salary and fringe benefit line items in the 2019 budget that equaled more than \$250,000, it became necessary to request a formal budget revision prior to the end of 2019. These savings were due to a large number of personnel taking Leaves of Absence (LOAs) last year. When an employee takes some LOA's, such as Family Medical Leave (FMLA), approximately 65% of that staff's salary may be paid by the State of California and not with Early Head Start funds. The numerous staff on FMLA during the 2019 fiscal year has netted the program these savings. Staff absences have not affected the services delivered to the children and families. We have been able to use, for the most part, sub on call employees (SOC) and staff on temporary assignments. At this time, we request that the \$900,924 in personnel and fringe benefit savings, previously awarded as a budget revision, now be repurposed to our program as carryover into the 2020 basic budget.

A budget revision (modification) was submitted and approved; however, award of the funds for the revision was not received until March and the COVID-19 closedown began shortly afterwards. These carryover dollars were originally from our Basic Grant personnel and fringe line items. Some of the funds were obligated in time for expenditure as budget revision, but most were not. A budget revision was granted just before the COVID-19 pandemic struck, rendering it impossible to complete expensing most of the awarded funds, even if obligated prior to December 31, 2019. Today, Fresno EOC requests to carryover these same dollars into fiscal year 2020 and to apply them to expenditures in areas of the operations budget as outlined in the Budget Justification below in the categories of Contractual, Construction, and Other:

Head Start Carryover Budget Justification

Supplies: \$778,050

\$702,000 – Purchase of 720 Hatch tablets. Ignite by Hatch uses play-based digital technology to engage and instruct children with educational experience that help prepare them for kindergarten. Used in Pre-K classrooms across the country, Ignite has been vetted and endorsed by teachers and other educational professions to help children achieve kindergarten readiness goals. Ignite offers 203 play-based curricular experiences that engage, instruct and provide practice to children in seven domains of development. Ignite

responds to and builds on the skill of each child and reports on each child's progress in all seven domains. These tablets can be used for distance learning which will be an advantage if the COVID-19 situation persists. These tables cost \$975 each and will provide 702 families and children with a loaner tablet and distance learning and child assessment data for use by the teaching staff.

\$76,050 – Replacement of existing outdated computers for staff use. The costs include Elite Desk, integrated Work Center Monitors, Tripp Lite Displayport, Office Professional Plus 2019 licenses handling fees, lift gate services and handling fees and inside delivery site. One of our five year program goals is to increase or use of technology. Infrastructure upgrades have taken place throughout our program sites; however, computer hardware and software must be updated in order to make efficient use of those improvements in internet capability to move toward paperless program records.

Contractual: \$129,100

\$5,000 - Training for staff in use of the Hatch Ignite Tablets is captured in this line item. A Hatch Classroom Integration Consultant (CIC) will provide two full day sessions of onsite training for teachers and /or administrators. The trainings will assist with teacher readiness and expansion and can cover beginner or advanced topics. Each session is led by one CIC and can have up to 24 participants. CIC travel expenses are included in the costs. Trainings are to be scheduled with a minimum 21-day notice. Training Days are non-refundable and non-transferable and expires two years after purchase date. Trainings cancelled or postponed within five business days of scheduled date will incur a \$500 cancellation fee.

\$42,000 – Renovation of the family service administrative office in the Fresno Executive Plaza Building, 1920 Mariposa Street, Suite 220, Fresno, CA which is utilized fully by Head Start 0-5 personnel. This area is in need of repairs to remove tripping hazards for safety of the staff working there. These repairs would eliminate gaps in the flooring and would include the removal of worn out carpet and the installation of new vinyl flooring. During the renovation staff work stations will be broken down and would require reinstallation when the flooring work has been completed. Staff will be accommodated in other suites throughout the renovation period.

\$68,000 – Renovation of offices utilized by Head Start 0-5 nutrition services and information systems offices. These personnel are dedicated to support the operations of the Head Start 0-5 program. Head Start Nutrition Services and Head Start Information Systems staff occupy adjacent areas of the Fresno Executive Plaza at 1920 Mariposa Street, Suite 200, Fresno, CA. Other offices in that suite were renovated recently, but the sections occupied by Head Start Nutrition Services and Head Start Information Systems were not refurbished at that time. Flooring, paint and work space reconfiguration are the components of the proposed plan for renovations to the work station used by these two departments. Staff will be accommodated in other suites throughout the renovation period. These services will be performed by companies external to Fresno EOC and competing bids for these opportunities have previously been uploaded as supporting documentation for 2019 budget modification request.

Head Start Nutrition Services provides a myriad of supports to the children, families and staff of our programs. These supports include: administration of the Child and Adult Care Food Program, assistance with specialized diets requiring oversight from a Registered Dietician, assistance with creation of alternative meals for children with food allergies and other conditions requiring specialized meal preparation, and nutrition education.

The staff on the Head Start Information Systems team administers the use of our ChildPlus database to record, aggregate and analyze Head Start program information. We employ ChildPlus to facilitate

continuous quality improvement. The Information Systems staff enters many data points into the system, inspires our further use of ChildPlus capabilities and offers technical leadership and training, as we constantly expand our capacity to utilize data to inform program decisions.

\$4,300 – Enlarge the East Conference Room located in the Executive Plaza, 1920 Mariposa Street, Suite 200, Fresno, CA. This renovation is necessitated by the reorganization of the Early Head Start and Head Start as Head Start 0 to 5. The Assistant Director – Head Start uses this conference room to meet with her team and currently, it is not large enough to accommodate them all especially with the physical distancing requirement in place with COVID-19. A nonbearing wall would be demolished and reconstructed with additional square footage being incorporated into the conference room. Other conference space will be available to staff during the renovation period.

\$4,700 – Implementation of Director's Dashboard. Data dashboards provide comprehensive management of data for real time analysis of program services such as enrollment, attendance, health, disabilities, meal counts, nutrition, family services and in-kind donations, etc. The design and implementation of a Director's Dashboard that is specifically tailored for use with the ChildPlus System (our management software) is desirable for relay of real time information to the Program Director and management staff.

\$5,100 – Annual licensing fee for Director's Dashboard include two user licenses and 12 months of data warehouse access, maintenance and data updating.

Total Federal Share \$907,150

Non-Federal Share

A waiver of non-federal share will be requested for this carryover request due to the impact of COVID-19 on our ability to capture volunteer time within a classroom setting while centers have been closed.

Conclusion

Davis Bacon regulations will be observed for all contractual renovation obligations of \$2,000 dollars or more, as required by federal law.

Both the County-Wide Policy Council and the Fresno EOC Board of Commissioners will approve this carryover request.

FRESNO EOC HEAD START

Head Start Basic Budget Carry Over from 2019 to 2020

\$907,150

Supplies (Section B, Line 6-e)

Student Learning Program Computers	\$975 x 720 / Tablets	\$702,000
These tablets will be used in classroom and Distance Learning during Learning and Summer Program that includes Real-time assessment of each child's progress, integrated curricular experience, end-of-summer progress report, Weekly parent email including hands-on activities to support in-home learning, bi-weekly usage reports, and end-of summer progress reports. Also will include ongoing support for teachers and families. Bi-Weekly Webinars to support teachers, administrators and parents, expert guidance with back-to-classroom transition.		
Staff Computers	\$845 x 90 /Computers	76,050
These computers are needed to replace existing outdated computers. The cost includes Elite Desk, Integrated Work Center, Monitors, Tripp Lite Displayport, Office Professional Plus 2019 License, Handling Fees Liftgate Service, and Handling Fees Inside Delivery Service.		
TOTAL SUPPLIES		778,050

CONTRACTUAL (Section B, Line 6-f)

Onsite PD (full day) Professional Development Consultant WePlaySmart		5,000
Classroom Integration Consultant will arrive at the site to provide one full day or two half day onsite sessions for teachers and/or administrators. The trainings will assist with teacher readiness and expansion and can cover beginner or advanced topics.		
Renovation Family Services Administrative Office		42,000
1920 Mariposa Street, Suite 220, Fresno, CA 93721 renovation to Family Services Administrative office including repairing gaps in floor and new vinyl flooring.		
Renovation Nutrition Services and Information Systems Office		68,000
1920 Mariposa Street, Suite 220, Fresno, CA 93721 renovation to the office spaces used by Head Start Nutrition Services flooring and paint. (Flooring \$25,419, Paint \$3,900, and work space reconfiguration \$35,000).		
Enlarge East Conference Room		4,300
Enlarge East Conference room in suite 200 at 1920 Mariposa Street, Fresno, CA 93721 to include additional space for meetings with additional attendees in the Assistant Director - Head Start office suite.		
Director's Dashboard - Implementation of Impact Analytics	4,700	
Design and implement Director's Dashboard that includes Enrollment that Connects to ChildPlus, Attendance, Health Requirements, Disabilities Family Services, Meals, and In-Kind.		
Director's Dashboard - Annual Licensing Fee	5,100	
Annual licensing fee includes two user licenses and 12 month data warehouse access, maintenance and ETL processing.		
TOTAL CONTRACTUAL		129,100
TOTAL FEDERAL SHARE		\$907,150



FY 2019 PROPOSED BUDGET Carryover

CARRYOVER PROJECT NARRATIVE/JUSTIFICATION FROM 2019 Budget Modification to 2020 Carryover

Fresno County Economic Opportunities Commission (dba Fresno EOC) Early Head Start (EHS) provides services to 308 infants/toddlers/pregnant women throughout Fresno County. Our center based option operates 46 child care slots for infants and toddlers and our home visitation program serves 33 prenatal women and 229 infants and toddlers. In this application Fresno EOC EHS requests permission to carryover \$624,000 of funding for expenditure during the 2020 fiscal year to complete the construction project approved in the 2019 budget modification request.

Approval of the 2019 budget modification request was approved in March 2020. Shortly after, the COVID-19 pandemic and center closedown began, rendering it impossible to complete liquidation of funds associated with this construction project, even if obligated prior to December 31, 2019. Fresno EOC requests to carryover these dollars into fiscal year 2020 and to apply them to expenditures in areas of the operations budget as outlined in the Budget Justification below in the categories of Contractual and Construction:

Early Head Start Carryover Budget Justification

Contractual Services – \$8,000

Architectural services - \$8,000

The architectural design, foundation drawings with wet stamp and excavation are contractual obligations incurred prior to the installation of the modular building. Additional contracted service costs are anticipated to occur during the final phases of this project,

Construction Costs: - \$607,000:

Purchase of Modular Building (48' by 60') – \$437,000

The Early Head Start modular building purchase will provide Fresno EOC Early Head Start the opportunity to convert Head Start Home Based slots to Early Head Start infant/toddler child care slots wrapped together with the State of California CCTR Infant/Toddler Child Care slots, proposed to be obtained through application for additional state funding. Fresno EOC currently holds other state funded contracts. The ability to serve additional EHS slots is contingent on the availability of a facility to house the braided funded program that we propose to create. These funds will enable Fresno EOC to proceed with purchase of a modular building. Then, Fresno EOC would be empowered to move forward with a request for slot conversion, apply for state funded infant/toddler CCTR slots, and the opportunity to offer additional infant/toddler center based slots needed in our community.

There is space at the property where a Head Start modular building will be located at Clinton and Blythe to accommodate the installation of an additional portable for the Early Head Start Program. It

would also facilitate transitions from Early Head Start to Head Start with the co-location of a modular Early Head Start Child Development Center there. A federal interest in the modular building will occur. The 48 X 60 modular building would provide two classrooms one for infants and one for toddlers and office space for the staff providing the comprehensive Early Head Start services.

Modular Building Site Preparation / Foundation / Installation Costs - \$170,000

Funds are required to install the modular building purchased at our proposed site at the intersection of Clinton and Blythe, in Fresno, California. These costs are for site preparation work, creation of a foundation for the building, and the installation costs to mount the building. Further examples of the anticipated costs include: ADA ramps and step attachments installation, anchor installation costs, infrastructure connection fees, electrical and data installation fees. Title fees will be paid.

Total Early Head Start Direct Charges Carryover Request - \$624,000

Total Federal Share -\$624,000

Total Non-federal Share Match Waiver Request

Early Head Start requested and was granted a Non-federal Match Waiver as part of the budget revision (modification) that preceded this Carryover Request.

Conclusion

Davis Bacon regulations will be observed for all contractual obligations of \$2,000 dollars or more, as required by federal law and bids will be obtained for any individual cost over \$5,000. The required 1303 documentation for authorization of the funds for the modular building at Clinton and Blythe has been uploaded into HSES.

Because of the short timeline between this request to carryover funds and the end of our Five Year Grant Cycle 12/31/2020, we pledge that the expenditures of the funds outlined above will be expedited quickly. The associated 1303 application was approved for submission to HHS in May 2020.

This Carryover request requires approval by the County-Wide Policy Council and the Fresno EOC Board of Commissioners.

FRESNO EOC HEAD START FY 2019
Early Head Start

Total Basic Budget Carry Over from 2019 to 2020	\$624,000
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Contractual (Section B Line 6-f)

Architectural design servcies	8,000	
	Total Contractual	8,000

Construction (Section B, Line 6-g)

Modular Building (48' x 60') to hold two classrooms	\$437,000	
Site preparation, foundation, and building installation	179,000	
	Total Construction	616,000
TOTAL DIRECT CHARGES		624,000
TOTAL FEDERAL SHARE		624,000

Fresno EOC's opportunity to convert Head Start Home Based slots to Early Head Start infant/toddler child care slots wrapped together with State of California CCTR infant/toddler child care slots (obtained through conversion of Fresno EOC's School Age Child Care slots to infant/toddler slots) is contingent on the availability of a facility to house the braided funded program that we propose to create. Currently, there is no facility available for such a program; therefore, authorization to reprogram the 2019 projected budget surplus to purchase and install a modular building would enable us to move forward with a request for slot conversion and the opportunity to offer additional infant/toddler center based child care slots that are needed in our community.

FY 2019 Proposed Budget Carryover of Duration Start-up Funds
Narrative and Budget Justification
09CH010290

Fresno Economic Opportunities Commission - Head Start is requesting through this narrative a carryover of the 2019 Duration Start-up funding into the 2020 fiscal year to continue Duration Start-up at our Fairmont, Dakota Circle, Clinton/Blythe, Shields/Fresno sites and also the former Tilley site that will be relocated. This carryover request will allow for the completion of projects that were not able to be obligated during the 2019 budget period. This request is to carry over a total of **\$2,001,636** of funding for completion of projects during the 2020 fiscal year, January 1, 2020 to December 31, 2020. This carryover request will allow for the completion of projects, which were not able to be obligated during the 2019 budget period.

The Fairmont, Dakota Circle, Clinton/Blythe, Shields and former Tilley sites are needed in order for more children to be given the advantage of longer duration school hours. Complications such as needing to select alternative sites has slowed progress for the opening of these centers. Two of these centers were originally planned to be located on Central Unified School District property; however, due to increasing enrollments the school district has decided that they are unable to relinquish space for Fresno EOC to operate a Head Start classroom on their facility. A replacement location will be chosen for the former Tilley site and the Clinton/Blythe site has replaced the site at the Central Unified School District's administrative offices. Changes such as these have definitely impeded our progress on opening new sites, making a request for this carryover necessary.

The COVID-19 pandemic has made having additional classrooms necessary. Currently, we anticipate serving only ten (10) children per classroom rather than our usual 17 to 20 children per classroom. More children will benefit from onsite services in as these sites open classrooms for service. Research documents that children who have a longer hours of classroom experience receive positive kindergarten readiness outcomes from the extended school day.

These new centers will have 14 classrooms in total and an existing 14 classrooms will be able to have longer hours operating hours; thus, potentially more children will receive more instruction. At this time the 14 new classrooms will also provide options for more children to be served in the classes of ten children that are currently recommended in response to COVID-19. When classes are able to operate with the larger group sizes again, the additional space will provide the opportunity for the 14 new and the 14 older classrooms (28) to provide extended day services of six hours to 11 hours per day. If the COVID-19 pandemic continues, we will have additional classrooms serving the smaller class sizes. Either way the additional classrooms are needed to serve the most children optimally.

This budget justification is submitted to support our request to complete projects according to the stipulations of our Duration Start-up funding awards and authorized budget revisions. This carryover request will allow us to complete development of the Fairmont, Dakota Circle, Clinton/Blythe, Shields and a replacement site for the former Tilley site. Recently, a decision was made to withdraw from Tilley negotiations (which had proceeded extremely slowly for over three years) with Central Unified School District. Head Start Administrative staff made this decision because the school district was only able to host us at the site for four years, rather the leasing the property to us for 15 year minimum, as required.

Because these funds were awarded as Duration there are no new slots associated with the funds, but the dollars will provide enhanced services to children and families already enrolled in the program. Projects will be complete by December 31, 2020.

Head Start Duration Carryover Budget Justification

Equipment: \$94,000

\$70,000 -Equipment purchases include a play structure for and a shade structure for installation at the site that will replace the Tilley site.

\$24,000 - An industrial dishwasher to be installed at the Tilley replacement site and one for the Shields/Fresno site that is being constructed by Fresno EOC as a three-classroom center potentially serving sixty preschool aged children.

Supplies: \$366,376

\$63,000 - These centers are scheduled to open this fall and it is anticipated that the COVID-19 pandemic will not have subsided. In attempt to provide maximum health and safety at our sites automated temperature kiosks will be installed at the five duration locations. One will be placed at the exterior entrance to each classroom. The kiosks will remotely alert staff and families when an individual is running a temperature when they are within three feet of the device for only one second. These devices will help our programs protect the health of children, parents, staff and partner. Each device costs \$4,500.

\$8,500 - Assorted office furniture remains to be purchased for the Tilley replacement site.

\$23,050 - Office supplies ranging from paperclips to computers remain to be purchased Fairmont, Clinton/Blythe and the replacement for Tilley.

\$3,126 - Bulletin Boards to create display children's artwork and mandated information for parents and staff are needed for the Clinton and Blythe site.

\$6,150 - Support Services staff will purchase health-related emergency supplies for the Fairmont and Clinton/Blythe sites.

\$3,850 - Staff purchase health supplies for all sites prior to opening services. Typical materials, include, gloves, adhesive bandages, facial tissues, cotton balls, and masks, etc.

\$10,000 - Kitchen supplies and small appliance are necessary to have for the meal and snack preparation at all centers. Toaster ovens, blenders, warming ovens and other kitchen implements are purchased with these funds. These items need to be purchased for the Tilley replacement site.

\$700 - Prior to opening a site janitorial supplies are stocked for use as needed. Supplies for the Clinton and Blythe site still need to be purchased.

\$83,225 - Computers, networking, telephones and short throw projectors will be purchased for and installed at all sites. These materials are especially useful in the information age and assist with distance learning.

\$164,775 - To facilitate connection with our children and families in the event of shelter at home ordinances, distance learning capability will be provided to our students in the form of Hatch Tablets that are programmed with developmentally appropriate software to support learning from home and

teacher child interaction, and developmental assessment. A tablet preloaded with software, licenses and warranties and training costs \$975 x 169 tablets.

Contractual: \$429,400

\$25,000 - Architectural design needs to be completed for the Clinton/Blythe site.

\$25,000 - Exterior Construction for the Clinton/Blythe site is needed after the modular building is installed.

\$8,900 – Installation of shade pillars that are purchased separately for the shade structure designed to cover the playground at the Fairmont site. The shade is needed due to the hot summer temperatures in Fresno County and is a Community Care Licensing requirement.

\$162,800 - Sites will be finished out with tact board walls, modified texturing of walls, perimeter fencing and window coverings. These finishes will be needed at the relocated Tilley site and Shields site.

\$10,000 - Landscaping with child friendly nontoxic plants is done at all Fresno EOC Head Start sites. The relocated Tilley site will need this landscaping.

\$26,000 - The parking lot for the Fairmont site requires resurfacing and restriping of parking spaces, including ADA accommodations for special needs adults and children.

\$25,000 - Soft surfacing below climbing structure is required for fall zone safety. Rubber tiles will be installed on the playground at Fairmont.

\$12,000 - To meet city permit requirements the perimeter of the Fairmont site will be enclosed with a wrought iron fence with a sliding gate for entry into the parking lot.

\$4,000 - For safety of children, a door chime is installed at all of our Head Start sites. These chimes will be purchased Tilley relocation and the Shields property.

\$6,000 - Window covering will be addressed at the Tilley relocation site once a new site is selected.

\$4,700 - Cameras for an alarm system to protect our buildings from vandalism.

\$120,000 - Remote locking system to assure that trespassers do not enter our facilities to control all external entrances. This remains too added at the Shields and Tilley relocation sites.

Total Contractual \$1,057,160

\$452,852 - Modular building to be located at Clinton/Blythe – costs for the construction and purchase of the modular .center designed with two preschool classrooms, restrooms, and staff offices. The 1303 to accompany this request has been uploaded into HSES.

\$453,810 - Site preparation for modular installations at Clinton/Blythe and Dakota Circle are as follows. The modular building to be installed at the Clinton/Blythe site. Actions required include foundation drawings with wet stamp and excavation are contractual obligations incurred prior to the installation of the modular building. Additional contracted service costs during the installation process will include: Department of Health red tag fees, delivery charges, set block level and close up costs, ADA ramps and step attachments installation charges, anchor installation costs, infrastructure connection fees, electrical and data installation fees, and title fees. As required, federal interest will

be established in the Head Start modular building at the intersection of Clinton and Blythe in Fresno, California and for the Dakota Circle Center.

\$135,500 - Infrastructure work including sprinkler system, wall demolition, trash disposal area construction, sewer sleeve connection and network fiber cabling for the Clinton/Blythe and Shields buildings.

\$15,000 - Site preparation excavation must be completed at Clinton/Blythe before the modular building can be placed there.

Other: \$54,700

\$17,500 - All five Duration sites will be licensed. Fees per site are dependent upon the number classroom and children.

\$12,000 - Signage is needed for the Fairmont site.

\$4,800 - Fingerprinting/clear background check will be necessary for all new hires pending the final job offer.

\$20,400 - Creative Curriculum 6th edition and Teaching Pyramid material will be purchased for the sites prior to opening. These materials are research and evidence based as required.

Total Other \$54,700

Total Federal Direct Charges \$2,001 636.

Non-Federal Share

A non-federal share waiver was requested and awarded for these funds when we submitted our 2019 budget revision last winter and will be requested again.

FRESNO EOC HEAD START

Basic Duration Budget Carry Over to 2020	Fairmont	Tilley	Dakota Circle	Clinton/Byte	Shields	Franklin	\$2,001,636
Equipment (Section B, Line 6-d)							
Play structure & Shade at Tilley Center		\$70,000					\$70,000
Industrial dishwasher at Shields Center		12,000			12,000		24,000
							TOTAL EQUIPMENT
							94,000
Supplies (Section B, Line 6-e)							
COVID - 19 Temperature Kiosk	\$18,000	\$13,500	9,000	9,000	13,500		63,000
Office Furniture		8,500					8,500
Office Supplies	8,700	10,000		4,350			23,050
Bulletin Boards				3,126			3,126
Health - emergency Supplies	5,000			1,150			6,150
Health - Supplies				3,850			3,850
Kitchen Supplies/Small Appliances		10,000					10,000
Janitorial Supplies (Vacuum)				700			700
Computer Supplies/Telephone/Network/Short throw Projector	10,000	30,000	18,225	25,000			83,225
Hatch Children Tablets @ \$975 each	34,125	65,325			65,325		164,775
							TOTAL SUPPLIES
							366,376
CONTRACTUAL (Section B, Line 6-f)							
Architectural Design				25,000			25,000
Exterior Construction					25,000		25,000
Shade Structure Pillars	8,900						8,900
Tact Boarding, Modified Texturing, Fencing, Window Coverings		80,000			82,800		162,800
Landscaping		10,000					10,000
Parking Lot Surfacing	26,000						26,000
Playground Install/Rubber Tiles	25,000						25,000
Wrought Iron Fence with Sliding Gate	12,000						12,000
Door Chime		2,000			2,000		4,000
Window Coverings		6,000					6,000
Matson Alarm - Cameras		2,350			2,350		4,700
Remote Locking System		60,000			60,000		120,000
							TOTAL CONTRACTUAL
							429,400
CONSTRUCTION (Section B, Line 6-g)							
Modular Building				452,850			452,850
Site Preparation			257,510	196,300			453,810
Infrastructure including Sprinkler system, Wall Demo, Trash Disposal Area, Sidewalks, Sewer Sleeve Connection, Network Fiber Cabling				132,000	3,500		135,500
Excavation for Site Preparation				15,000			15,000
							TOTAL CONSTRUCTION
							1,057,160
OTHER (SECTION B, LINE 6-h)							
Licensing	2,500	3,000	2,500	9,500			17,500
Signage	12,000						12,000
Fingerprinting	1,200	1,200	1,200	1,200			4,800
Curriculum - Creative 6th Teaching Pyramid	12,400	8,000					20,400
							TOTAL OTHER
							54,700
TOTAL FEDERAL DIRECT CHARGES							\$2,001,636



FINANCE COMMITTEE MEETING

Date: June 10, 2020	Program: Head Start
Agenda Item #: 10	Officer: Kathleen Shivaprasad
Subject: HHS Head Start 0-5 Monitoring Update	Officer: Rebecca Heinricy

Background

The information presented below is intended to keep the Board apprised on the status of the work performed for the Quality Improvement Plan in response to the receipt of the Focus Area 2 monitoring review report for the Head Start 0-5 program.

U.S. Department of Health and Human Services (HHS) – Administration for Children and Families (ACF) Head Start conducted a follow-up review on the Focus Area 2 monitoring during the week of October 15-18, 2019. A quality improvement plan (QIP) was submitted to HHS for the three noted deficiencies involving the facilities cost associated with the 1900/1920 Mariposa Mall property, commonly referred to as Fresno Executive Plaza (FEP), and the reporting of Federal Interest therein. The three areas cited are internal control, budget, and facility reporting.

Approval of the QIP dated February 14, 2020 was received from the Regional Office in their letter dated February 24, 2020. The corrective action period concludes on July 21, 2020.

The following actions have occurred since the QIP was presented in May 2020:

- The external auditor, Hudson, Henderson & Company, completed their review and will be presenting their report to the Finance Committee and Board of Commissioners in June. Please see Agenda item 5.
- Management and staff will schedule and participate in training provided by the auditor on the topic of their findings and recommendations.
- The Chief Executive Officer, Financial Officer, and two Managers completed the HHS Region IX Fiscal Institute. Topic areas included the following: data informed budgeting, implementing fiscal regulations, internal controls, monitoring and reporting, and facility development.
- The Accounting Policies and Procedures have been updated to incorporate changes proposed by the external auditors and information gained from training as well as address items identified by Head Start. See Agenda item 8.
- Calculations to determine federal interest attributable to Head Start have been reviewed with the external auditor and are being finalized. The assessment of

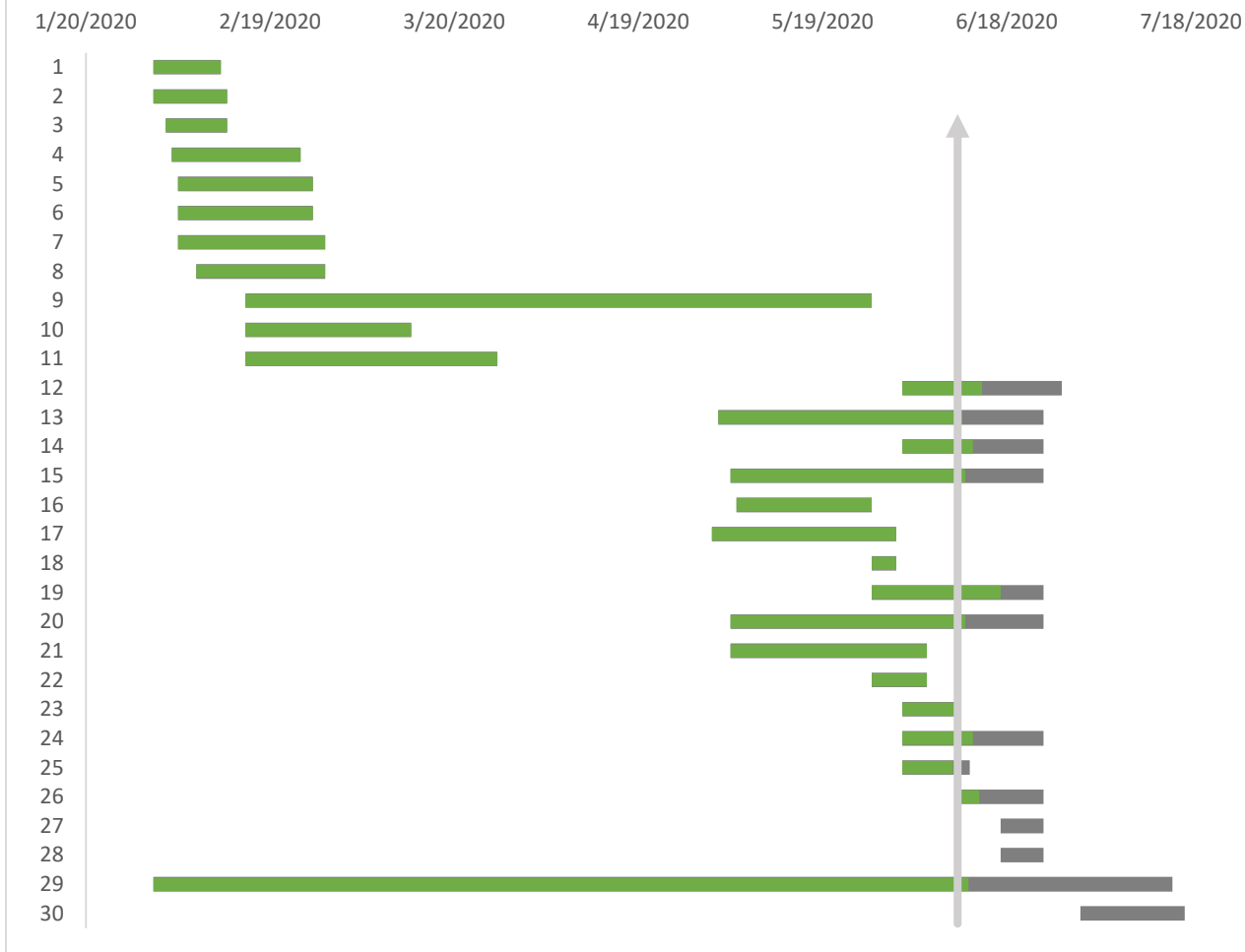
any additional Federal interest in the facility generated by other Federal funders is on-going.

- Assessments have been made for the valuation of potential unallowable costs:
 - Federal Interest generated in Building A from 2003 to 2010 of \$25,971;
 - Potential exclusion of depreciation charged to HHS Head Start for site-specific improvements of \$189,336;
 - Adjusted 2002-2018 board room square footage allocation based on 2019 utilization of \$149,055,
 - Potential impact of decreased depreciation based on Federal Interest in facility for occupancy within Buildings A & B of \$169,069.
- Staff are scheduled to meet with Head Start Region IX representatives on June 11 to discuss progress to date, review findings from the external auditor, and determine next steps prior to the final submission in July.

This QIP status update will be submitted to Region IX on June 14, 2020.

Also included is a Gantt chart to illustrate the progress made to date on the efforts pertaining to this QIP.

QIP Progress - June 10, 2020



Item	Implementation Activity	Complete
1	Perform a walk-thru of the 1900/1920 facility to verify the accuracy of the occupancy of the 1900/1920 buildings and note any areas where space utilization may be shared. Assess and adjust any items noted.	✓
2	Review draft of QIP with Region IX Program and/or Fiscal Specialists on February 12, 2020. Incorporate feedback into draft. Continue to hold frequent conversations with Region IX personnel on status of QIP.	✓
3	Request clarification on timing of 2019 carryover requests for pending facility projects to allow for timely obligation and liquidation of 2020 grant funds if an extension is requested for the SF-425 reporting.	✓
4	Update the Agency's Organizational Chart so the Head Start 0 – 5 Director reports directly to the Chief Executive Officer.	✓
5	Submit January 20, 2020 monitoring review letter and report received from HHS along with the initial draft of the QIP to Finance Committee meeting on February 13, 2020 and then to the Board meeting on February 26, 2020. Monthly status update on the QIP will be provided to the Board by the CEO. The Head Start board representative will report out to the County-Wide Policy Council.	✓
6	Request Region IX approval to extend the Final SF-425 closeout reporting and liquidation period for the 2019 grant year to ensure allocated costs within the "Other" line item associated with the facility cost pool for 1900/1920 Mariposa Mall align with outcome of QIP.	✓
7	Assess proper inclusion of each fixed asset that is depreciating within the facility cost pool as of January 2019 onward and adjust allocation of depreciation as necessary.	✓

8	Compute the reduction in depreciation allocated to Head Start on assets with Federal Interest from January 2019 to current and make appropriate adjustments to the cost allocation prior to close out of the 2019 grant. Update square footage rate computation to establish a unique rate for Head Start 0-5 spaces that incorporates this adjustment.	✓
9	Procure and contract with an independent, third party Certified Public Accounting (CPA) firm, who has no prior work history with Fresno EOC, to review the current facility cost allocation pool methodology for accuracy of allocations and to identify areas of enhancement.	✓
10	Obtain Training and Technical Assistance (T&TA) Region IX for Board Roles and Responsibilities for Head Start grantees.	✓
11	Review the organizational structure of financial duties associated with the Head Start grant and assess possible restructuring of duties.	✓
12	External CPA firm to provide training and technical assistance to Finance Office personnel based on outcome of their agreed upon procedures.	IN PROGRESS
13	Review the Accounting Policies and Procedure Manual - Section X Financial Reporting Procedures for needed additions and/or updates.	IN PROGRESS
14	External auditor will present recommendations to the Board of Commissioners.	IN PROGRESS
15	Review Accounting Policies and Procedure Manual - Section VIII Cost Allocation for needed additions and/or updates.	IN PROGRESS
16	Review facility cost pool procedure step-by-step outline for the Fresno Executive Plaza facility cost pool allocation process for needed additions and/or updates.	✓
17	Review available financial training opportunities available on Uniform Guidance and Head Start regulations for Head Start financial staff based on restructuring of financial duties among staff. Determine if the pending Fiscal Initiative training at Region IX anticipated in May 2020 will align with these training needs.	✓
18	Compute the Federal Interest generated with the 1900 Building A for evaluation as potential disallowed cost.	✓
19	Update documentation of procedures used in the computation of the Federal Interest based on recommendations received from the external auditors.	IN PROGRESS
20	Document monitoring and oversight procedures for reporting.	IN PROGRESS
21	Assess proper inclusion of each fixed asset that is depreciating within the facility cost pool for periods prior to January 2019. Compute estimate for potential disallowed costs.	✓
22	Compute the reduction for depreciation allocated to Head Start on assets with Federal Interest prior to January 2019.	✓
23	Update computation of federal interest for the FEP facility incorporating recommendations from the external auditor.	✓
24	Review allocation of interest, bond amortization, and mortgage principal across all occupants and their funding sources to ensure Federal Share and Non-Federal Share are accurately reported.	IN PROGRESS
25	Discuss and negotiate with Region IX representatives any items for resolution based on the results of external auditor recommendations.	IN PROGRESS
26	Obtain Board approval for any necessary updates to the Accounting Policies and Procedures Manual.	IN PROGRESS
27	Obtain Board approval for final QIP status in June 24, 2020 Board meeting.	SCHEDULED
28	Obtain Board approval for any necessary SF-429 revision and final QIP status in June 24, 2020 Board meeting.	SCHEDULED
29	Weekly meetings with CEO, Financial Officer, and Head Start 0-5 Director will occur to review progress status with QIP.	SCHEDULED
30	Amend and file, if necessary, revised SF-429 report via Online Data Collection (OLDC) within GrantSolutions.gov based upon CEO and Board approval.	SCHEDULED

Program Improvement Plan

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Updated June 2020

Grantee Name	Fresno County Economic Opportunities Commission	Plan Start Date	01/23/2020
Grant Award Number	09CH010290	Plan End Date	07/21/2020

Area of Deficiency

Description of Incident	Underlying/ Root Causes <i>Why do we think this happened?</i>	Actions taken to address this specific incident <i>What were some immediate actions taken?</i> <i>What did we do that specifically addressed this incident?</i>
<p>“Grantee did not implement internal controls to ensure, maintain, comply, evaluate, and monitor compliance with terms and conditions of the federal award.”</p>	<ul style="list-style-type: none"> • Documentation of reporting policies and procedures. • Role of CEO, Board, Internal Audit in monitoring / oversight. 	<ul style="list-style-type: none"> • Obtain Training and Technical Assistance (T&TA) from Region IX for Board Roles and Responsibilities for Head Start grantees. • Weekly meetings with CEO, Financial Officer, and Head Start 0-5 Director will occur to review progress status with Quality Improvement Plan (QIP). • Review draft of QIP with Region IX Program and/or Fiscal Specialists on February 12, 2020. Incorporate feedback into draft. Continue to hold frequent conversations with Region IX personnel on status of QIP. • Request clarification on timing of 2019 carryover requests for pending facility projects to allow for timely obligation and liquidation of 2020 grant funds if an extension is requested for the SF-425 reporting. • Submit January 20, 2020 monitoring review letter and report from HHS along with the current draft of the QIP to Finance Committee on February 13, 2020 and then to the Board on February 26, 2020. Monthly status update on the QIP will be provided to the Board by the CEO. Head Start board representative will report out to the County-Wide Policy Council (CWPC). • Update the Agency’s Organizational Chart so the Head Start 0 – 5 Director reports directly to the Chief Executive Officer. • Request Region IX approval to extend the Final SF-425 closeout reporting and liquidation period for the 2019 grant year to ensure allocated costs within the “Other” line item associated with the facility cost pool for 1900/1920 Mariposa Mall are in alignment with outcome of QIP.

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Description of Incident	Underlying/Root Causes	Actions taken to address this specific incident
Continued from prior page		<ul style="list-style-type: none">• Procure and contract with an independent, third party Certified Public Accounting (CPA) firm, who has no prior work history with Fresno EOC, to review the current facility cost allocation pool methodology for accuracy of allocations and to identify areas of enhancement.• Review the organizational structure of financial duties associated with the Head Start grant and assess possible restructuring of duties.• Review available financial training opportunities available on Uniform Guidance and Head Start regulations for Head Start financial staff based on restructuring of financial duties among staff. Determine if the pending Fiscal Initiative training at Region IX anticipated in May 2020 will align with these training needs.• External CPA firm to provide training and technical assistance to Finance Office personnel based on outcome of their agreed upon procedures• Review the Accounting Policies and Procedure Manual - Section X Financial Reporting Procedures for needed additions and/or updates.• External auditor will present recommendations to the Board of Commissioners.• Update documentation of procedures used in the computation of the Federal Interest based on recommendations received from the external auditors.• Document monitoring and oversight procedures for reporting.• Discuss and negotiate with Region IX representatives any items for resolution based on the results of external auditor recommendations.• Obtain Board approval for any necessary updates to the Accounting Policies and Procedures Manual.• Board approval for final QIP status in June 24, 2020 Board meeting.

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Actions Taken to Strengthen Systems Program-wide

Key Element:	Internal Controls				
Intended Outcome:	Assess and Strengthen Internal Controls				
Implementation Activities	Timeline	Staff responsible	Resources/ TTA	Documentation	Status of Activities
Obtain Training and Technical Assistance (T&TA) Region IX for Board Roles and Responsibilities for Head Start grantees.	March 13, 2020	Emilia Reyes	T&TA to be provided at Board Retreat March 13, 2020 as requested through Region IX.	Sign-in sheets will be utilized to document those in attendance.	Complete - training held on March 13, 2020.
Weekly meetings with CEO, Financial Officer, and Head Start 0-5 Director will occur to review progress status with QIP.	February 5, 2020 through July 15, 2020	Emilia Reyes, Rebecca Heinrich, and Kathleen Shivaprasad	Quality Improvement Plan.	Sign-in sheets will be utilized to document those in attendance.	First meeting was held February 5, 2020 and continue.
Review draft of QIP with Region IX Program and/or Fiscal Specialists on February 12, 2020. Incorporate feedback into draft. Continue to hold frequent conversations with Region IX personnel on status of QIP.	February 12, 2020	Andrea Harvey, Joanna Chan, Emilia Reyes, Rebecca Heinrich, and Kathleen Shivaprasad	Quality Improvement Plan.	Sign-in sheet for call.	Complete -- QIP was approved by Region IX per letter dated February 24, 2020.
Request clarification on timing of 2019 carryover requests for pending facility projects to allow for timely obligation and liquidation of 2020 grant funds if an extension is requested for the SF-425 reporting.	February 12, 2020	Emilia Reyes, Rebecca Heinrich, and Kathleen Shivaprasad	Guidance from Region IX Program and Fiscal Specialists	Meeting call sign-in sheet 2/12/2020.	Complete- Guidance received – Can submit carry-over using Interim SF-425.
Submit January 20, 2020 monitoring review letter and report from HHS along with the current draft of the QIP to Finance Committee on February 13, 2020 and then to the Board on February 26, 2020. Monthly status update on the QIP will be provided to the Board by the CEO. Head Start board representative will report out to the CWPC.	Finance Committee on February 13, 2020; Board meeting on February 26, 2020 and forward.	Emilia Reyes and Rebecca Heinrich	Committee meeting packets.	Committee meeting packets and meeting minutes.	On-going- Report and QIP provided via Finance Committee on February 13, 2020 with CEO update to Board on February 26, 2020. Updates continue.

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Implementation Activities	Timeline	Staff responsible	Resources/ TTA	Documentation	Status of Activities
Update the Agency's Organizational Chart so the Head Start 0 – 5 Director reports directly to the Chief Executive Officer.	February 24, 2020	Emilia Reyes and Heather Brown	CEO has knowledge and experience within the areas of early childhood education and fiscal.	Organization Chart	Complete - reporting structure updated as of February 17, 2020.
Request Region IX approval to extend the Final SF-425 closeout reporting and liquidation period for the 2019 grant year to ensure allocated costs within the "Other" line item associated with the facility cost pool for 1900/1920 Mariposa Mall align with outcome of QIP.	February 26, 2020	Emilia Reyes, Rebecca Heinrich, and Kathleen Shivaprasad	Guidance from Region IX Program and Fiscal Specialists	Letter to request the extension based on potential adjustment to "Other" fiscal line item.	Complete- liquidation and SF-425 extension granted to July 31, 2020.
Procure and contract with an independent, third party Certified Public Accounting (CPA) firm, who has no prior work history with Fresno EOC, to review the current facility cost allocation pool methodology for accuracy of allocations and to identify areas of enhancement.	Week of March 2 nd .	Emilia Reyes and Rebecca Heinrich		Contract	Complete - A CPA firm was selected and areas of recommendations are being presented to the Board.
Review the organizational structure of financial duties associated with the Head Start grant and assess possible restructuring of duties.	March 27, 2020	Emilia Reyes and Heather Brown, Rebecca Heinrich, and Kathleen Shivaprasad	Consult peer Head Start programs to obtain suggestions as to structure of fiscal personnel.	Organization Chart; Job Descriptions	Complete -- Two managers and one accountant have been hired.
Review available financial training opportunities available on Uniform Guidance and Head Start regulations for Head Start financial staff based on restructuring of financial duties among staff. Determine if the pending Fiscal Initiative training at Region IX anticipated in May 2020 will align with these training needs.	April / May 2020	Select Head Start financial staff and/or program leadership.	Trainers to be determined	Training Agenda	T&TA requests reviewed on March 4, 2020. CEO, Financial Officer, and several staff have completed the OHS Region IX Fiscal Institute webinar series.

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Implementation Activities	Timeline	Staff responsible	Resources/ TTA	Documentation	Status of Activities
External CPA firm to provide training and technical assistance to Finance Office personnel based on outcome of their agreed upon procedures.	June 2020	Applicable Finance Office personnel	External Auditor guidance	Sign-in sheets will be utilized to document those in attendance.	In Progress – Training is scheduled for completion
Review the Accounting Policies and Procedure Manual - Section X Financial Reporting Procedures for needed additions and/or updates.	June 10, 2020	Rebecca Heinrich	External Auditor guidance	Board Agenda item and minutes	In progress – Proposed updates presented to the Finance Committee.
External auditor will present recommendations to the Board of Commissioners.	June 10, 2020 & June 24, 2020	External Auditor; Emilia Reyes	External Auditor guidance	Board Agenda item and minutes	In progress – The External Auditor will present results at the June 10th Finance Committee and June 24th Board meetings.
Update documentation of procedures used in the computation of the Federal Interest based on recommendations received from the external auditors.	June 12 , 2020	Rebecca Heinrich	External Auditor guidance	Federal Interest / SF-429 Procedures	In Progress
Document monitoring and oversight procedures for reporting.	June 17 , 2020	Emilia Reyes, Rebecca Heinrich, Susan Shiomi, Arthur Montejano	Review if T&TA would be beneficial.	Monitoring Procedures	In Progress – Monitoring and oversight procedures have been gathered and updated.
Discuss and negotiate with Region IX representatives any items for resolution based on the results of external auditor recommendations.	As needed, but by June 12, 2020	Board Chair, Emilia Reyes, Rebecca Heinrich, Region IX representatives	Guidance from Region IX program and fiscal specialists.	Letters and supporting documents.	In Progress – Initial meeting scheduled for June 11, 2020.
Obtain Board approval for any necessary updates to the Accounting Policies and Procedures Manual.	June 24, 2020	Board of Commissioners; Emilia Reyes	Board meeting packet	Policies and Procedures	Scheduled for presentation.
Obtain Board approval final QIP status in June 24, 2020 Board meeting.	June 24, 2020	Board of Commissioners; Emilia Reyes	External auditor recommendations	SF-429	Scheduled

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Summary of progress towards outcome:

Regular updates to the Board on the status of the actions taken for the internal control deficiency have continued. The external auditor has completed their review and submitted a report on the agreed upon procedures. The auditor provided suggestions for updating policies and procedures to strengthen internal controls (e.g., form SF-429 would be reviewed by the CEO and at least one board member prior to submission). The auditors will provide staff with training on the computation of federal interest as well as other findings. Several staff, including Emilia Reyes, CEO, and the Financial Officer, completed the Office of Head Start Region IX Fiscal Institute Webinar series. Topics covered included internal control and monitoring. In addition to reviewing monitoring procedures that currently take place, Monitoring Policies and Procedures were drafted and are pending board approval along with other updates to existing policies and procedures.

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Area of Deficiency

Description of Incident	Underlying/ Root Causes <i>Why do we think this happened?</i>	Actions taken to address this specific incident <i>What were some immediate actions taken?</i> <i>What did we do that specifically addressed this incident?</i>
<p>“Grantee continued to charge facility costs to the federal award that were not properly allocated. The grantee’s Fresno Executive Plaza (FEP) facility cost pool that was implemented for the FEP facility resulted in charges to the federal grant for costs that were not incurred specifically for the federal award and expenses that did not directly benefit the Head Start program.”</p>	<ul style="list-style-type: none"> • Utilization cost pool for the allocation of facility costs for the Fresno Executive Plaza location. • Assessment of space utilization within the Fresno Executive Plaza. • Depreciation not adjusted for Federal Share of facility. • Inclusion of building improvements within the cost pool. • Allocation of space in 1900 Building A occupied starting July 2003 (prior to mortgage pay-off in June 2010) without receiving advance approval from HHS. 	<ul style="list-style-type: none"> • Submit January 20, 2020 monitoring review letter and report received from HHS along with the initial draft of the QIP to Finance Committee meeting on February 13, 2020 and then to the Board meeting on February 26, 2020. Monthly status update on the QIP will be provided to the Board by the CEO. The Head Start board representative will report out to the County-Wide Policy Council. • Assess proper inclusion of each fixed asset that is depreciating within the facility cost pool as of January 2019 onward and adjust allocation of depreciation as necessary. • Compute the reduction in depreciation allocated to Head Start on assets with Federal Interest from January 2019 to current and make appropriate adjustments to the cost allocation prior to close out of the 2019 grant. Update square footage rate computation to establish a unique rate for Head Start 0-5 spaces that incorporates this adjustment. • Perform a walk-thru of the 1900/1920 facility to verify the accuracy of the occupancy of the 1900/1920 buildings and note any areas where space utilization may be shared. Document and adjust any items noted. • Procure and contract with an independent, third party Certified Public Accounting (CPA) firm, who has no prior work history with Fresno EOC, to review the current facility cost allocation pool methodology for accuracy of allocations and to identify areas of enhancement. • Compute the Federal Interest generated with the 1900 Building A for evaluation as potential disallowed cost. • Review available financial training opportunities available on Uniform Guidance and Head Start regulations for Head Start financial staff based on restructuring of financial duties among staff. Determine if the pending Fiscal Initiative training at Region IX anticipated in May 2020 will align with these training needs. • External CPA firm to provide training and technical assistance to Finance Office personnel based on outcome of their agreed upon procedures.

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Description of Incident	Underlying/Root Causes	Actions taken to address this specific incident
Continued from prior page		<ul style="list-style-type: none">• Review the Accounting Policies and Procedure Manual - Section VIII Cost Allocation for needed additions and/or updates.• Review facility cost pool procedure step-by-step outline for the Fresno Executive Plaza facility cost pool allocation process for needed additions and/or updates.• External auditor will present recommendations to the Board of Commissioners.• Assess proper inclusion of each fixed asset that is depreciating within the facility cost pool for periods prior to January 2019. Compute estimate for potential disallowed costs.• Compute the reduction for depreciation allocated to Head Start on assets with Federal Interest prior to January 2019.• Discuss and negotiate with Region IX representatives any items for resolution based on the results of external auditor recommendations.• Obtain Board approval for any necessary updates to the Accounting Policies and Procedures Manual.• Obtain Board approval for final QIP status in June 24, 2020 Board meeting.

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Actions Taken to Strengthen Systems Program-wide

Key Element:	Accountability for funds, property, and other assets				
Intended Outcome:	Ensure adequate accountability is maintained within financial records				
Implementation Activities	Timeline	Staff responsible	Resources/ TTA	Documentation	Status of Activities
Submit January 20, 2020 monitoring review letter and report received from HHS along with the initial draft of the QIP to Finance Committee meeting on February 13, 2020 and then to the Board meeting on February 26, 2020. Monthly status update on the QIP will be provided to the Board by the CEO. The Head Start board representative will report out to the County-Wide Policy Council.	Finance Committee on February 13, 2020; Board meeting on February 26, 2020 and forward.	Emilia Reyes and Rebecca Heinrichy	Committee meeting packet.	Committee meeting packets and meeting minutes.	On-going- Report and QIP provided via Finance Committee on February 13, 2020 with CEO update to Board on February 26, 2020. Updates continue..
Assess proper inclusion of each fixed asset that is depreciating within the facility cost pool as of January 2019 onward and adjust allocation of depreciation as necessary.	February 3, 2020 to February 28, 2020.	Rebecca Heinrichy, Darlene Trujillo, and Kristy Fung.	Fixed Asset and general ledger records.	Journal Entries and supporting documents	Complete. Any depreciation within the FEP facility cost pool for site specific improvements were removed.
Compute the reduction in depreciation allocated to Head Start on assets with Federal Interest from January 2019 to current and make appropriate adjustments to the cost allocation prior to close out of the 2019 grant. Update square footage rate computation to establish a unique rate for Head Start 0-5 spaces that incorporates this adjustment.	February 3, 2020 to February 28, 2020.	Rebecca Heinrichy and Darlene Trujillo,	Fixed Asset and SF-429 computation records	Journal Entry and supporting documents.	Adjustments have been computed and captured.

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Implementation Activities	Timeline	Staff responsible	Resources/ TTA	Documentation	Status of Activities
Perform a walk-thru of the 1900/1920 facility to verify the accuracy of the occupancy of the 1900/1920 buildings and note any areas where space utilization may be shared. Assess and adjust any items noted.	February 11, 2020	Kathleen Shivaprasad, Kerry Wiley, Darlene Trujillo, Susan Shiomi, and Mary Xiong	Facility occupancy worksheet and observation checklist.	Observation checklist	Completed walk-through and initial adjustment to square footage pending external auditor review.
Procure and contract with an independent, third party Certified Public Accounting (CPA) firm, who has no prior work history with Fresno EOC, to review the current facility cost allocation pool methodology for accuracy of allocations and to identify areas of enhancement.	Week of March 2 nd .	Emilia Reyes and Rebecca Heinrichy		Contract	Complete - A CPA firm was selected and areas of recommendations are being presented to the Board..
Compute the Federal Interest generated with the 1900 Building A for evaluation as potential disallowed cost.	March - May 2020	Rebecca Heinrichy, Darlene Trujillo	Supporting square footage occupancy worksheets.	Supporting computation worksheets.	Computation is generated.
Review available financial training opportunities available on Uniform Guidance and Head Start regulations for Head Start financial staff based on restructuring of financial duties among staff. Determine if the pending Fiscal Initiative training at Region IX anticipated in May 2020 will align with these training needs.	April / May 2020	Select Head Start financial staff and/or program leadership.	Trainers to be determined	Training Agenda	T&TA requests reviewed on March 4, 2020. CEO, Financial Officer, and several staff have completed the OHS Region IX Fiscal Institute webinar series. -
External CPA firm to provide training and technical assistance to Finance Office personnel based on outcome of their agreed upon procedures.	June 2020	Applicable Finance Office personnel	External Auditor guidance	Sign-in sheets will be utilized to document those in attendance.	In Progress – Training is scheduled for completion
Review Accounting Policies and Procedure Manual - Section VIII Cost Allocation for needed additions and/or updates.	June 10, 2020	Rebecca Heinrichy	External Auditor guidance	Board Agenda item and minutes	In progress – Scheduled for presentation..

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Implementation Activities	Timeline	Staff responsible	Resources/ TTA	Documentation	Status of Activities
Review facility cost pool procedure step-by-step outline for the Fresno Executive Plaza facility cost pool allocation process for needed additions and/or updates.	June 12, 2020	Rebecca Heinrich and Darlene Trujillo	External Auditor guidance	Facility cost procedure	Adjustments are incorporated.
External auditor will present recommendations to the Board of Commissioners.	June 10, 2020 & June 24, 2020	External Auditor; Emilia Reyes	External Auditor guidance	Board Agenda item and minutes	In progress – The External Auditor will present results at the June 10th Finance Committee and June 24th Board meetings.
Assess proper inclusion of each fixed asset that is depreciating within the facility cost pool for periods prior to January 2019. Compute estimate for potential disallowed costs.	June 5, 2020	Rebecca Heinrich and Darlene Trujillo	Fixed Asset Module records	Fixed Asset records and general ledger.	Computations are complete.
Compute the reduction for depreciation allocated to Head Start on assets with Federal Interest prior to January 2019.	June 5, 2020	Rebecca Heinrich and Darlene Trujillo	Fixed Asset records, general ledger, and Federal Interest computation.	Federal Interest computation worksheet and fixed asset records.	Computations are complete.
Discuss and negotiate with Region IX representatives any items for resolution based on the results of external auditor recommendations.	As needed, but by June 12, 2020	Board Chair, Emilia Reyes, Rebecca Heinrich, Region IX representatives	Guidance from Region IX program and fiscal specialists.	Letters and supporting documents.	In Progress – Initial meeting scheduled for June 11, 2020.
Obtain Board approval for any necessary updates to the Accounting Policies and Procedures Manual.	June 24, 2020	Board of Commissioners; Emilia Reyes	Board meeting packet	Policies and Procedures	Scheduled for presentation.
Obtain Board approval for final QIP status in June 24, 2020 Board meeting.	June 24, 2020	Board of Commissioners; Emilia Reyes	External auditor recommendations	SF-429	Scheduled

Summary of progress towards outcome:

[Regular updates to the Board on the status of the actions taken for the budget deficiency have continued. The external auditors have completed their review and presented their report. In addition to areas highlighted elsewhere in this report, the auditors suggested updates to the allocation of federal interest as well as suggestions to improve reporting. Various policies and procedures were updated as a result including updating language in Accounting Policies, Section 10. Financial Reporting Procedures to include language pertaining to all federal programs including Head Start. Prepared updated computations for the federal interest and for potential exposure to unallowable costs.](#)

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Area of Deficiency

Description of Incident	Underlying/ Root Causes <i>Why do we think this happened?</i>	Actions taken to address this specific incident <i>What were some immediate actions taken?</i> <i>What did we do that specifically addressed this incident?</i>
<p>“The grantee did not accurately record a notice of federal interest and did not accurately report the amount of federal interest on the Real Property Status Report (SF-429) for the Fresno Executive Plaza (FEP) property located at 1900 and 1920 Mariposa Mall, Fresno, California.”</p>	<ul style="list-style-type: none"> • Methodology used for computing Federal Interest as reported SF-429 • Reliance on alternate supporting documents prior to 1999 due to unavailability of general ledger. • Space in 1900 Building A was occupied starting July 2003, which was prior to mortgage pay-off in June 2010, without receiving advance approval from HHS. • Role of CEO, Board, and Internal Audit in monitoring / oversight not clearly documented. 	<ul style="list-style-type: none"> • Procure and contract with an independent, third party Certified Public Accounting (CPA) firm, who has no prior work history with Fresno EOC, to review the current facility cost allocation pool methodology for accuracy of allocations and to identify areas of enhancement. • Weekly meetings with CEO, Financial Officer, and Head Start 0-5 Director will occur to review progress status with QIP • Submit January 20, 2020 monitoring review letter and report received from HHS along with the initial draft of the QIP to Finance Committee meeting on February 13, 2020 and then to the Board meeting on February 26, 2020. Monthly status update on the QIP will be provided to the Board by the CEO. The Head Start board representative will report out to the County-Wide Policy Council (CWPC). • Compute the Federal Interest generated with the 1900 Building A for evaluation as potential disallowed cost. • External CPA firm to provide training and technical assistance to Finance Office personnel based on outcome of their agreed upon procedures. • External auditor will present recommendations to the Board of Commissioners. • Compute the reduction for depreciation allocated to Head Start on assets with Federal Interest prior to January 2019 based on occupancy percentage and Federal Interest share. • Update computation of federal interest for the FEP facility incorporating recommendations from the external auditor. • Review allocation of interest, bond amortization, and mortgage principal across all occupants and their funding sources to ensure Federal Share and Non-Federal Share are accurately reported.

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Description of Incident	Underlying/Root Causes	Actions taken to address this specific incident
Continued from prior page		<ul style="list-style-type: none">• Update documentation of procedures used in the computation of the Federal Interest based on recommendations received from the external auditors.• Obtain Board approval for any necessary SF-429 revision and final QIP status in June 24, 2020 Board meeting.• Amend and file, if necessary, revised SF-429 report via Online Data Collection (OLDC) within GrantSolutions.gov based upon CEO and Board approval.

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Actions Taken to Strengthen Systems Program-wide

Key Element:	Reporting				
Intended Outcome:	Ensure reporting is completed accurately and timely				
Implementation Activities	Timeline	Staff responsible	Resources/ TTA	Documentation	Status of Activities
Procure and contract with an independent, third party Certified Public Accounting (CPA) firm, who has no prior work history with Fresno EOC, to review the current facility cost allocation pool methodology for accuracy of allocations and to identify areas of enhancement.	Week of March 2 nd .	Emilia Reyes and Rebecca Heinrichy		Contract	Complete - A CPA firm was selected and areas of recommendations are being presented to the Board..
Weekly meetings with CEO, Financial Officer, and Head Start 0-5 Director will occur to review progress status with QIP	February 5, 2020 through July 15, 2020	Emilia Reyes, Rebecca Heinrichy, and Kathleen Shivaprasad	Quality Improvement Plan.	Sign-in sheets will be utilized to document those in attendance.	First meeting was held February 5, 2020. Meeting continue.
Submit January 20, 2020 monitoring review letter and report received from HHS along with the initial draft of the QIP to Finance Committee meeting on February 13, 2020 and then to the Board meeting on February 26, 2020. Monthly status update on the QIP will be provided to the Board by the CEO. The Head Start board representative will report out to the CWPC.	Finance Committee on February 13, 2020; Board meeting on February 26, 2020 and forward.	Emilia Reyes and Rebecca Heinrichy	Committee meeting packets.	Committee meeting packets and meeting minutes.	On-going- Report and QIP provided via Finance Committee on February 13, 2020 with CEO update to Board on February 26, 2020. Updates continue.
Compute the Federal Interest generated with the 1900 Building A for evaluation as potential disallowed cost.	March - May 2020	Rebecca Heinrichy, Darlene Trujillo	Supporting square footage occupancy worksheets.	Supporting computation worksheets.	Computation is generated.
External CPA firm to provide training and technical assistance to Finance Office personnel based on outcome of their agreed upon procedures.	June 2020	Applicable Finance Office personnel	External Auditor guidance	Sign-in sheets will be utilized to document those in attendance.	In Progress – Training is scheduled for completion

Program Improvement Plan

Updated June 2020

Finance Committee approval 2/13/2020; Board approval 2/26/2020; Region IX approval 2/24/2020

Implementation Activities	Timeline	Staff responsible	Resources/ TTA	Documentation	Status of Activities
External auditor will present recommendations to the Board of Commissioners.	June 10, 2020 & June 24, 2020	External Auditor; Emilia Reyes	External Auditor guidance	Board Agenda item and minutes	In progress – The External Auditor to present results at the June 10th Finance Committee and June 24th Board meetings.
Compute the reduction for depreciation allocated to Head Start on assets with Federal Interest prior to January 2019.	June 5, 2020	Rebecca Heinricy and Darlene Trujillo	Fixed Asset records, general ledger, and Federal Interest computation.	Federal Interest computation worksheet and fixed asset records.	Computations are complete.
Update computation of federal interest for the FEP facility incorporating recommendations from the external auditor.	June 10, 2020	Rebecca Heinricy and Darlene Trujillo	External Auditor guidance	Federal Interest computation worksheet and supporting documents	Updated computations are prepared.
Review allocation of interest, bond amortization, and mortgage principal across all occupants and their funding sources to ensure Federal Share and Non-Federal Share are accurately reported.	June 17 , 2020	Rebecca Heinricy, Darlene Trujillo, Susan Shiomi, Mary Xiong	Occupancy records, general ledger, and facility cost allocation rate history.	Facility cost pool allocation historical documents and general ledger.	Internal audit staff have prepared this analysis. Review is on-going.
Update documentation of procedures used in the computation of the Federal Interest based on recommendations received from the external auditors.	June 12, 2020	Rebecca Heinricy	External Auditor guidance	Federal Interest / SF-429 Procedures	In progress
Obtain Board approval for any necessary SF-429 revision and final QIP status in June 24, 2020 Board meeting.	June 24, 2020	Board of Commissioners; Emilia Reyes	External auditor recommendations	SF-429	In progress
Amend and file, if necessary, revised SF-429 report via Online Data Collection (OLDC) within GrantSolutions.gov based upon CEO and Board approval.	July 17, 2020	Emilia Reyes; Rebecca Heinricy; Darlene Trujillo	External auditor recommendations	SF-429	Pending

Summary of progress towards outcome:

[Regular Board updates on the work completed on the reporting deficiency during the past month continued. The external auditors have completed their review and presented their report. The report focused on updates to the allocation of federal interest as well as suggestions to improve reporting. The Accounting Policies and Procedures have been updated and includes review for the SF-429 by representative\(s\) from the Board of Commissioners prior to filing. Valuations for potential unallowable costs were generated.](#)



FINANCE COMMITTEE MEETING

Date: June 10, 2020	Program: Finance
Agenda Item #: 11	Officer: Rebecca Heinricy
Subject: Non-Competitive Procurement	Officer: Salam Nalia

Background

The information presented below is intended to keep the Board apprised on any procurements made through a non-competitive procurement process.

In accordance with the Accounting Policies and Procedures Manual, Noncompetitive Procurements are “special purchasing circumstances, in which competitive bids are not obtained. Noncompetitive procurement (purchases and contracts) are only permissible in the following circumstances (2 CFR 200.320 [f]):

- An emergency exists that does not permit delay,
- Only one source of supply is available,
- If the awarding agency expressly authorizes noncompetitive proposals in response to a written request from the Agency,
- Or after solicitation of a number of sources, competition is determined to be inadequate.

The key requirement for the use of noncompetitive procurement is the other methods of procurement are not feasible and one of the above circumstances exists.” Additionally, a report on the non-competitive procurement awards is to be made to the Agency’s Board of Commissioners.

Vendor	Purpose	Amount	Justification
Oliver Packaging & Equipment Company	Food Services – Three compartment food containers for frozen meal delivery to seniors.	Approximately \$30,000 per month.	Vendor was first approved as sole source in 2011. Vendor is the manufacturer of the sealing machine that has been in use for nine years. These trays fit into the sealing machine.
Vendor	Purpose	Amount	Justification

Patton Air Conditioning	Sanctuary – HVAC system is not functioning properly at the Transitional housing facility. The HVAC unit was already scheduled for replacement due to maintenance issues but was accelerated due to unit failure.	\$98,056	Emergency / Insufficient bids: Multiple vendors were contacted to seek bids for replacing the failing HVAC unit but only one responded. With temperatures exceeding 100 degrees, clients cannot remain in the housing unit and would require relocation. Due to the emergency health and safety needs, the procurement proceeded using the single bid received.
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FINANCE COMMITTEE MEETING

Date: June 10, 2020	Program: Finance
Agenda Item #: 12	Officer: Rebecca Heinrich
Subject: Health Insurance Report	Officer: Salam Nalia

Background

The information presented below is intended to keep the Board apprised on the financial status of the Agency's health insurance plan.

As of April 30, 2020, the health insurance reserve is at \$3.1 million, which covers approximately 3.2 months of average expenditures. To date, contributions from programs and employees for 2020 total \$4,305,634 while the Fund paid out \$3,913,083 in expenses. The health insurance report is included for reference.

Changes to the health insurance plan in 2018 through 2020 include:

- Effective January 2018: 10% increase in Employer and Employee premiums, increase in select co-pays, and a discount for completion of a wellness visit.
- Effective January 2019: 5% increases in Employer and Employee premiums, and increase the coverage of preventive dental procedures from 80% to 100%.
- Effective January 2020: 4% overall increase in Employer premiums and 22% overall increase in Employee premiums. Wellness plan now has the same annual deductible but will have a 25% discounted employee premium. The employee + child and employee + children tiers were consolidated.

The following presents a sample of the 2020 monthly health insurance premium tier rates. There are additional tiers depending on type of coverage selected.

	Agency	Employee (Discounted)	Total Premium
Employee Only	\$ 590	\$ 90	\$ 680
Family	\$ 1,220	\$ 210	\$ 1,430

FRESNO EOC
HEALTH INSURANCE FUND REPORT
 THROUGH APRIL 30, 2020

	2020						2019		
	January	February	March	April	YTD totals Jan - Apr	Mo. Avg. Prev 12 mos	YTD totals Jan - Apr	Annual Jan - Dec	Annual Mo. Avg Jan - Dec
Beginning Fund Balance	2,754,344	2,788,447	3,258,670	3,477,447					
Income									
Agency Contributions	764,269	926,323	936,853	910,416	3,537,861	824,775	3,191,772	9,551,207	795,934
Additional Agency Contr.	0	0	0	0	0	17,554	56,321	266,968	22,247
Employee Contributions	169,247	254,529	172,963	171,034	767,773	147,622	630,168	1,633,863	136,155
Total Income	933,516	1,180,852	1,109,816	1,081,450	4,305,634	989,951	3,878,261	11,452,038	954,336
Expenses									
Health Claims Paid	522,608	294,706	439,030	937,674	2,194,018	605,431	2,139,811	7,210,969	600,914
Dental Claims Paid	40,011	64,322	54,514	47,659	206,506	56,857	228,611	704,388	58,699
Prescriptions Paid	199,983	169,145	217,113	247,094	833,335	222,186	722,707	2,555,607	212,967
Vision Claims Paid	10,011	11,476	7,284	5,770	34,541	8,875	43,347	115,300	9,608
Stop Loss Premiums	112,415	113,050	114,712	115,206	455,383	107,164	415,162	1,245,746	103,812
Stop Loss Claims	(41,994)	0	0	0	(41,994)	(70,582)	(80,236)	(885,228)	(73,769)
Life Insurance Premiums	14,653	15,978	15,536	15,780	61,947	14,875	57,413	173,967	14,497
Pinnacle	14,626	14,610	15,207	15,224	59,667	14,545	56,457	171,324	14,277
Blue Cross	15,155	15,156	15,715	15,671	61,697	15,055	58,393	177,354	14,780
Benefits Consultant	7,722	7,722	7,722	7,721	30,887	11,185	51,667	155,000	12,917
Employee Assist. Program	1,876	1,877	1,876	1,877	7,506	1,877	7,499	22,511	1,876
Preferred Chiropractors	783	783	787	787	3,140	603	2,041	6,139	512
Other Expenses	1,565	1,804	1,543	1,538	6,450	1,840	10,274	25,900	2,158
ACA Fees	0	0	0	0	0	1,435	3,588	20,807	1,734
Total Expenses	899,414	710,629	891,039	1,412,001	3,913,083	991,344	3,716,734	11,699,785	974,982
Current Fund Activity (net)	34,103	470,223	218,777	(330,551)	392,552	(1,394)	161,527	(247,747)	(20,646)
Ending Fund Balance	2,788,447	3,258,670	3,477,447	3,146,896	3,146,896				
Enrollment									
Employee only-Traditional	349	347	338	330		341		314	
High-Deduct	44	40	40	43		42		23	
Family coverage-Traditional	448	452	465	468		458		502	
High-Deduct	29	31	31	30		30		11	
Dental coverage only	39	38	35	37		37		41	
Temp/On Call Plan	0	0	0	0		0		1	
Total employees enrolled	909	908	909	908		909		893	
Total dependants covered									
Average contributions per employee	1,027	1,300	1,221	1,191		1,090		1,069	
Average expenses per employee	989	783	980	1,555		1,091		1,092	

Estimated # months funded: 3.2



FINANCE COMMITTEE MEETING

Date: June 10, 2020	Program: Finance
Agenda Item #: 13	Officer: Rebecca Heinrich
Subject: Variance Report	Officer: Salam Nalia

Background

The information presented below is intended to keep the Board apprised on the fiscal status of selected program(s) within the Agency that are routinely shared with Program Directors and Executive staff.

The prepared financial analysis reports and/or requested updates for the program(s) listed below are included for informational purposes.

- Food Distributions and Market Match
- Foster Grandparents Program
- Tobacco Education Programs

FINANCE OFFICE INTEROFFICE MEMO

DATE: MAY 26, 2020
TO: JON ESCOBAR; GABRIELA ROMERO
CC: EMILIA REYES, MICHELLE TUTUNJIAN, SALAM NALIA, SUSAN SHIOMI
FROM: REBECCA HEINRICY, VIANEY CHAIREZ
SUBJECT: FOOD DISTRIBUTION AND MARKET MATCH VARIANCE REPORTS – APRIL 2020

Ecology Center Market Match - (99135):

Funding Period: January 1, 2020 – December 31, 2020

Revenue: Revenue is the Ecology Center grant of \$36,740. Additional revenue is received from EBT redemption and smaller grants. Actual YTD revenue received is \$3,397 from Ecology Center and \$3,516 in miscellaneous income; for a total revenue received of \$6,913.

Expenses: YTD expenses are \$3,548 or 10% of budget. Project period is 33% complete.

Observations: Overall, this program is operating under budget due to the impact of COVID-19. Based on funding to date, there is approximately \$3,498 available for future needs.

Sisters of St. Joseph Food Distribution - (93555):

Funding Period: July 1, 2019 – June 30, 2020

Revenue: A donation from Sisters of St. Joseph Healthcare Foundation for \$50,000 and \$300 in miscellaneous donation for total budgeted funding of \$50,300

Expenses: YTD expenses are \$24,542 or 49% of YTD donation. Project period is 83% complete.

Observations: While the project is currently operating under budget, this funding will be fully utilized by the close of the funding cycle.

Kaiser Permanente Cal-Fresh Outreach Project - (93551):

Funding Period: October 1, 2019 – September 30, 2020

Revenue: The grant award is \$95,000.

Expenses: YTD expenses are \$36,012 or 38% of budget. Project period is 58% complete.

Observations: Expenses are slightly below budgeted level at this time, but will be utilized by period end.

St. Agnes Food Distribution - (93519):

Funding Period: April 1, 2020 – June 30, 2020

Revenue: A donation from St. Agnes for \$5,700

Expenses: No costs for this project were incurred in April. Project period is 33% complete.

Observations: Funds will be fully expended by June 30, 2020.

CSBG – (75005):

Funding Period: January 1, 2020 – December 31, 2020

CSBG funding of \$85,356 was approved for 2020 to support the personnel and operating costs for these programs. As of April, \$13,213 was utilized, which is approximately 15% of the annual amount.

Ecology Center- Market Match

Monthly Progress Report

As of April 30, 2020

Grant Period:	Jan 1, 2020 through Dec 31, 2020	Total Months	12
Project ID #:	99135	Months in Progress	4
Contract Time Lapsed:	33%		

PROGRAM	ANNUAL BUDGET	YTD ACTUAL	YTD BALANCE	YTD % USED
REVENUE				
Ecology (FINI Grant)	36,740	3,397	33,343	9%
EBT and Small Grants		3,516	(3,516)	0%
TOTAL REVENUE	36,740	6,913	29,827	19%
PERSONNEL COST				
Salaries (FINI)	8,062	1,153	6,909	14%
Fringe (FINI)	3,991	450	3,541	11%
TOTAL PERSONNEL	12,053	1,603	10,450	13%
TRAVEL				
Mileage	473	25	448	5%
Face-to-Face Meetings (FINI)	366	-	366	0%
OTHER				
Materials and Supplies	339	-	339	0%
Market Match Vouchers (FINI)	22,500	1,669	20,831	7%
INDIRECT				
Admin.	993	116	877	12%
Audit	16	2	14	13%
Total Non- Personnel	24,687	1,812	22,875	7%
Total Expenditures	36,740	3,415	33,325	9%
Net Income (Loss)	-	3,498		

Sisters of St. Joseph
Monthly Progress Report
As of April 30, 2020

Grant Period:	July 1, 2019 through June 30, 2020	Total Months	12
Project ID #:	93555	Months in Progress	10
Contract Time Lapsed:	83%		

PROGRAM	ANNUAL BUDGET	YTD ACTUAL	YTD BALANCE	YTD % USED
REVENUE				
Grant	50,000	24,242	25,758	48%
Donation income	300	300	-	100%
TOTAL REVENUE	50,300	24,542	25,758	49%
OTHER				
Food Commodities	50,300	24,542	25,758	49%
Total Expenditures	50,300	24,542	25,758	49%
Net Income (Loss)	-	-		

Kaiser - CalFresh Outreach Project

Monthly Progress Report

As of April 30, 2020

Grant Period:	Oct 1, 2019 to Sept 30, 2020	Total Months	12
Project ID #:	93551	Months in Progress	7
Contract Time Lapsed:	58%		

PROGRAM	ANNUAL BUDGET	YTD ACTUAL	YTD BALANCE	YTD % USED
REVENUE				
Kaiser Permanente	95,000	36,012	58,988	38%
TOTAL REVENUE	95,000	36,012	58,988	38%
PERSONNEL COST				
Salaries	41,212	18,683	22,529	45%
Fringe	22,851	7,265	15,586	32%
TOTAL PERSONNEL	64,063	25,948	38,115	41%
PROGRAM COST				
Rent	2,808	1,674	1,134	60%
Office Supplies	1,533	177	1,356	12%
Equipment Supplies	4,000	3,825	175	96%
Communications	1,590	180	1,410	11%
Travel	3,180	1,359	1,821	43%
Educational & Outreach	10,500	-	10,500	0%
Printing/Copying	360	70	290	19%
Liability Insurance	240	229	11	95%
INDIRECT				
Admin.	6,620	2,510	4,110	38%
Audit	106	40	66	38%
Total Non- Personnel	30,937	10,064	20,873	33%
Total Expenditures	95,000	36,012	58,988	38%
Net Income (Loss)	-	-		

St. Agnes Food Distribution

Monthly Progress Report

As of April 30, 2020

Grant Period: April 1, 2020 - June 30, 2020 Total Months 3
 Project ID #: 93519 Months in Progress 1
 Contract Time Lapsed: 33%

PROGRAM	ANNUAL BUDGET	YTD ACTUAL	YTD BALANCE	YTD % USED
REVENUE				
St. Agnes	5,700	5,700	-	100%
TOTAL REVENUE	5,700	5,700	-	100%
PERSONNEL COST				
Salary/Fringe	1,116	-	1,116	0%
TOTAL PERSONNEL	1,116	-	1,116	0%
TRAVEL				
Food Distribution	4,000		4,000	0%
Mileage	106		106	0%
COVID-19 Supplies	74		74	0%
INDIRECT				
Admin.	398		398	0%
Audit	6		6	0%
Total Non- Personnel	4,584	-	4,584	0%
Total Expenditures	5,700	-	5,700	0%
Net Income (Loss)	-	5,700		

**CSBG - Food Distributions
Monthly Progress Report
As of April 30, 2020**

Program Period: 01/01/2020 - 12/31/2020
Project # 75005

Total Months 12
Months in Progress 4
33%

Budget Category	Total Budget	YTD Actual	YTD Balance	YTD % Spent
REVENUES:				
CSBG	85,356	13,213	72,143	15%
TOTAL REVENUES	85,356	13,213	72,143	15%
PROGRAM COSTS:				
Salaries	37,440	7,896	29,544	21%
Fringe	16,765	3,133	13,632	19%
Mileage	2,544	1,551	993	61%
Rent	1,526	285	1,241	19%
Office Supplies	600	11	589	2%
Telephone	621	116	505	19%
Insurance	360	80	280	22%
Leased Copiers	360	141	219	39%
Food Distribution	25,140	-	25,140	0%
TOTAL EXPENDITURES	85,356	13,213	72,143	15%
Net Income (Loss)	-	-		

FINANCE OFFICE INTEROFFICE MEMO

DATE: MAY 26, 2020
TO: GILDA ARREGUIN, LEAH STRUCK
CC: EMILIA REYES, MICHELLE TUTUNJIAN, SALAM NALIA, SUSAN SHIOMI
FROM: REBECCA HEINRICY, VIANEY CHAIREZ
SUBJECT: FOSTER GRANDPARENTS VARIANCE REPORT – APRIL 2020

Corporation for National & Community Service (55103)

Funding Period: July 1, 2019 – June 30, 2020

Revenue: The grant award is \$363,773. In addition to the grant funds, the budget includes an additional \$80,281 in matching funds (Grantee Share), for a total of \$444,054. Required non-Federal matching defined as the “minimum support requirement” for the year is \$39,729.

Expenses: Total expenses are \$268,954, which is 61% of the combined budget. The project period is 83% complete. Grant (CNCS) expenses are at 72% of the CNCS budget. Matching funds are at 13% of Grantee Share budget and no excess or federal share expenditures have occurred to date.

Observations:

Due to the impact of COVID-19 on operations, CNCS is waiving all match requirements for all Senior Companion, Foster Grandparent, and RSVP grantees for FY2019 and FY2020. Historical sources of in-kind for our program have been from donated space for meetings, donated meals at work sites, and donated items for recognition events for our foster grandparents. All of these items are impacted by operating during COVID-19.

The grant requires that there are 68 VSY (volunteer service years) served by the Foster Grandparent volunteers to earn the grant award. As of April, there are 54 VSY, or 79% of the requirement.

FOSTER GRANDPARENTS
Monthly Progress Report
April 30, 2020

Program Period: July 1, 2019 - June 30, 2020
Project ID #: 55102 - 55105

CATEGORY	Total Budget	CNCS (55103)	Actual YTD Expenses	% of Total	Remaining Balance	EOC (In-kind)	Actual YTD	% of Total	Balance	Excess (Federal)	Actual YTD	% of Total	Balance	TOTAL Actual YTD	% of CNCS
REVENUE															
CNCS	363,773	363,773	262,420		101,353									262,420	
Agency Support - CSBG	29,196				-	-				29,196	-		29,196	-	
Non-Federal & Donations	-				-	-	29		(29)	-	-		-	29	
In-kind	51,085				-	51,085	6,534		44,551	-	-		-	6,534	
Total Revenue	444,054	363,773	262,420		101,353	51,085	6,563		44,522	29,196	-		29,196	268,983	
SALARIES & BENEFITS															
Salaries	79,658	77,752	54,772		22,980	-	-		-	1,906			1,906	54,772	
Benefits/Taxes	36,942	35,279	24,184		11,095	-	-		-	1,663			1,663	24,184	
Total Salaries & Benefits	116,600	113,031	78,956	30%	34,075	-	-	0%	-	3,569	-	0%	3,569	78,956	30%
SERVICES & SUPPLIES															
Project Staff Travel															
Travel (Local)	800	800	790		10		-		-		-		-	790	
Long Distance Travel	900	900	374		526				-				-	374	
Supplies															
Office Expense	369	369	369		-				-				-	369	
Leased Copiers	552	552	453		99				-				-	453	
Contracts															
Audit 0.12%	150	150	104		46				-	-	-		-	104	
Other Volunteer Support Costs															
Program - Misc. Background Checks	631	631	479		152				-		-		-	479	
Office Rental	6,394	6,394	4,065		2,329		600		(600)	-			-	4,665	
Organizational Dues	100	100	100		-				-				-	100	
Communications	480	480	242		238				-				-	242	
Cell Phone	720	720	401		319		-		-				-	401	
Insurance	809	809	307		502				-				-	307	
In-kind Meeting Contributions	1,800					1,800	-		1,800		-		-		
Recruitment	51	51	51		-				-				-	51	
In-kind Misc.							100		(100)				-	100	
Indirect Costs															
Administration 7.5%	9,363	9,363	6,495		2,868	-	-		-	-	-		-	6,495	
Total Support Expenses	23,119	21,319	14,230	5%	7,089	1,800	700	0%	1,100	-	-	0%	-	14,930	6%
VOLUNTEER EXPENSES															
Stipends															
Foster Grandparents Stipends	194,368	194,368	150,581		43,787									150,581	
Other Volunteer Costs															
Meals	43,867		-		-	18,240	1,634		16,606	25,627			25,627	1,634	
Insurance (CIMA)	391	391	-		391				-				-		
Recognition: Food Commodities to FGP	20,045		-		-	20,045			20,045				-		
Recognition	21,896	10,896	5,481		5,415	11,000	4,200		6,800				-	9,681	
Uniform	1,360	1,360			-				-				-		
Volunteer Travel															
Volunteer Travel	22,408	22,408	13,172		9,236	-	-		-				-	13,172	
Total Volunteer Exp (80%)	304,335	229,423	169,234	64%	58,829	49,285	5,834	2%	43,451	25,627	-	0%	25,627	175,068	67%
TOTAL EXPENSES	444,054	363,773	262,420		99,993	51,085	6,534		44,551	29,196	-		29,196	268,954	
Surplus/Deficit	-	-	-			-	29			-	-			29	

Notes:

Actual Cumulative Hours	56,823
Total hours per VSY	1,044
Total VSYs	54.43
Average VSY	7.78

Minimum Support Requirement (MSR)	39,729
Actual Support	6,534

Volunteer Expense Ratio			Percentage
CNCS	EOC and In-kind	TOTAL	>80% of 357,561
169,234	5,834	175,068	67%

FINANCE OFFICE INTEROFFICE MEMO

DATE: MAY 22, 2020
TO: GILDA ARREGUIN; MARTHA ZARATE
CC: EMILIA REYES, MICHELLE TUTUNJIAN, SALAM NALIA, SUSAN SHIOMI
FROM: REBECCA HEINRICY, VIANEY CHAIREZ
SUBJECT: TOBACCO PROGRAM VARIANCE REPORTS – APRIL 2020

State of California Department of Public Health - (91000):

Funding Period: July 1, 2019 to June 30, 2020

Revenue: The grant award is \$155,000.

Expenses: Grant expenses are \$126,624, which is 82% of budget. The project period is 83% complete.

Observations: Personnel costs are above budget due to the increase in health insurance rates. The travel expense is lower than expected due the cancellation of the annual conference because of COVID-19. The expense for the evaluation consultant occurs at the end of the grant cycle.

CSBG - (91001):

Funding Period: January 1, 2020 – December 31, 2020

Revenue: The grant award is \$14,236

Expenses: Grant expenses are \$3,266, which is 25% of budget. The project period is 33% complete.

Observations: CSBG funding is to support personnel costs for the Tobacco program due to the impact of having a multi-year budget that did not fully anticipate the impact of the rising costs of health insurance premiums.

Fresno County Department of Public Health - (91002):

Funding Period: September 10, 2019 to June 30, 2020

Revenue: The grant award is \$100,000.

Expenses: Grant expenses are \$33,878, which is 34% of budget. The project period is 80% complete.

Observations: This project is operating under budget due to a later start than originally projected. The original start date of the project was on July 1, 2019, but the project could not begin until the County of Fresno approved the agreement. The County of Fresno approved the agreement on

September 10, 2019 and personnel hired for this project started in October 15, 2019, causing one quarter of savings. In addition to the late start, the position hired for this project was at a Specialist level instead of Coordinator level that resulted in additional savings. Savings in travel are from the impact of COVID-19 as including cancellations of conferences and decreased local travel. Per the County of Fresno, the program may do a budget modification and carryover unspent funds into the next fiscal year.

TOBACCO PROGRAM
Monthly Progress Report
As of April 30, 2020

Program Period: July 1, 2019 - June 30, 2020

Project ID # 91000

CONTRACT TIME LAPSED:

83%

	ANNUAL BUDGET	Y-T-D ACTUAL	BALANCE	Variance
REVENUE:				
CALIF. DEPT. OF PUBLIC HEATH	155,000	126,624	28,376	82%
Expenditures:				
Salaries	93,787	79,439	14,348	85%
Fringe	31,079	31,079	-	100%
TOTAL PERSONNEL	124,866	110,518	14,348	89%
OPERATING EXPENSES				
Space Rent	4,570	3,878	692	85%
Office Supplies	406	377	29	93%
Postage	9	5	4	56%
Duplicating	254	227	27	89%
Communications	780	591	189	76%
Audit	186	141	45	76%
TRAVEL/PER DIEM				
Out of County Travel/Staff Training & Mileage	4,720	1,702	3,018	36%
EVALUATION CONSULTANT	7,750	-	7,750	0%
OTHER COSTS				
Educational Material	185	-	185	0%
INDIRECT	11,274	9,185	2,089	81%
Total Non-Personnel	30,134	16,106	14,028	53%
Total Expenditures	155,000	126,624	28,376	82%
Net Income (Loss)	-	-		

CSBG - TOBACCO PROGRAM
Monthly Progress Report
As of April 30, 2020

Program Period: January 1, 2020 - December 31, 2020

Project ID # 91001

CONTRACT TIME LAPSED:
33%

	ANNUAL BUDGET	Y-T-D ACTUAL	BALANCE	Variance
REVENUE: CSBG	14,236	3,266	10,970	23%
PROGRAM COSTS:				
Salaries	1,330	-	1,330	0%
Fringe	12,906	3,266	9,640	25%
Total Expenditures	14,236	3,266	10,970	23%
Net Income (Loss)	-	-	-	

TOBACCO PROGRAM
Monthly Progress Report
As of April 30, 2020

Program Period: September 10, 2019 - June 30, 2020

Project ID # 91002

CONTRACT TIME LAPSED:

80.00%

	ANNUAL BUDGET	Y-T-D ACTUAL	BALANCE	Variance
REVENUE: Fresno County	100,000	33,878	66,122	34%
Expenditures:				
Salaries	52,533	19,467	33,066	37%
Fringe	18,828	5,966	12,862	32%
TOTAL PERSONNEL	71,361	25,433	45,928	36%
FACILITIES/EQUIPMENT EXPENSES:				
Rent	1,872	1,190	682	64%
OPERATING EXPENSES				
Telephone	840	171	669	20%
Postage	46		46	0%
Printing/Copying	2,200	78	2,122	4%
Office Supplies	1,464	228	1,236	16%
Incentives	1,000		1,000	0%
Educational Materials	1,300		1,300	0%
Transportation	2,000	71	1,929	4%
Staff Training/Registration	400		400	0%
Community Advocates Stipends	9,600	4,200	5,400	44%
Food	400		400	0%
FINANCIAL SERVICES				
Audit	111	38	73	34%
Liabilitiy Insurance	429	108	321	25%
INDIRECT	6,977	2,361	4,616	34%
Total Non-Personnel	28,639	8,445	20,194	29%
Total Expenditures	100,000	33,878	66,122	34%
Net Income (Loss)	-	-	-	